Annual report 2024

ASR Dutch Core Residential Fund

a.s.r. real estate

Cover: **Wonderwoods, Utrecht**

The ASR Dutch Core Residential Fund Annual Report 2024 is only available in a soft copy version. The report contains several interactive elements. Pop-ups will guide you to additional information.

ASR Dutch Core Residential Management Company B.V.
Archimedeslaan 10
3584 BA Utrecht
The Netherlands
Chamber of commerce (KvK): 56251882

asrrealestate.nl

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Contents

ASR Dutch Core Residential Fund ('the Fund') provides access to a diversified, mature and sustainable residential real estate portfolio with a value of € 2.1b. The Fund has a core strategy and invests in sustainable, high-quality apartments and single-family houses, particularly in the affordable rental segment, in the strongest economic and demographic regions and cities in the Netherlands.

The aim of the Fund is to provide stable, sustainable and attractive returns for investors through investing in, managing and adding value to the portfolio, while keeping risk and leverage at a low level.

Overview

As at 31 December 2024

Portfolio size

€ 2.1 b

2023 **€ 2.0 b**

Annual rent

€ 77.2 m

2023: **€ 71.9m**

Residential units

6,096

2023: **5,781**

Pipeline commitments

€ 132 m

2023: **€ 123m**

Total rent potential

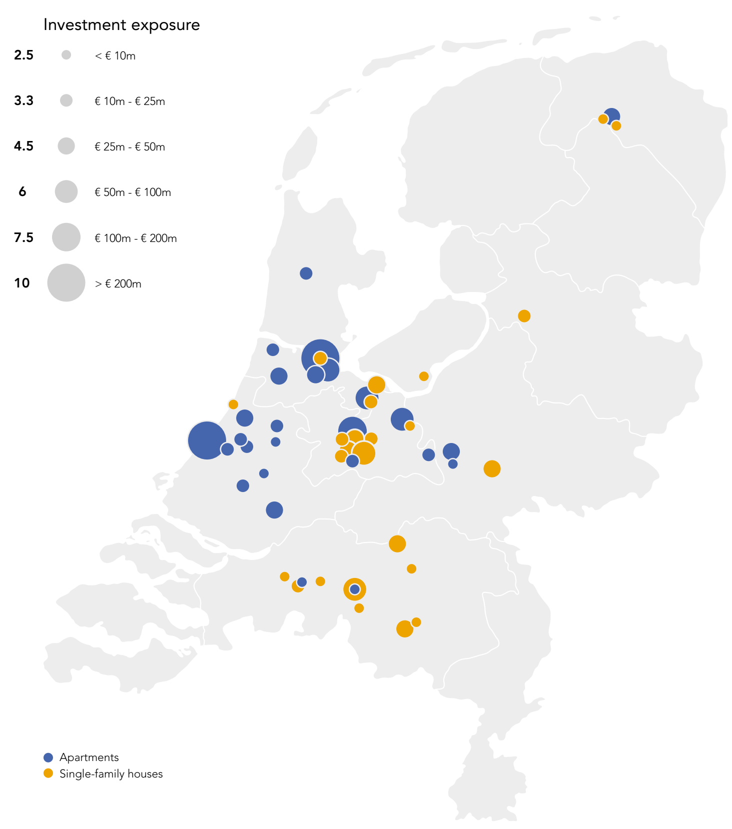
11.5%

2023: **9.2%**

Occupancy rate

98.3%

2023: **98.5%**



On-site renewable energy (installed kWp)

5,272

2023: **4,919**

Coverage of A & B labels (percentage of the portfolio)

93%

2023: **81%**

GRESB score

90 (5-stars)

2023: **92 (5-stars)**

Performance figures

Performance

For the year	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Total return	10.5%	(8.0%)	0.7%	12.8%	9.4%
- Income return	2.6%	2.4%	1.9%	2.2%	2.3%
- Capital growth	7.8%	(10.4%)	(1.2%)	10.6%	7.1%
Internal rate of return (since first closing at 1 January 2015)	9.3%	9.2%	11.6%	13.1%	13.2%

Performance and NAV per unit

Amounts in €

For the year	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Operating result	29	29	27	27	27
Net result	136	(116)	10	171	118
Distributable result	34	32	29	29	30

As at	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
IFRS Net Asset Value	1,410	1,308	1,457	1,475	1,335
INREV Net Asset Value	1,419	1,316	1,465	1,481	1,342
INREV Net Asset Value (after distributions)	1,410	1,308	1,457	1,475	1,335
Number of units	1,544,972	1,509,033	1,460,585	1,409,757	1,325,615

Result

Amounts in € million

For the year	2024	2023	2022	2021	2020
Results					
Gross rental income	77.2	71.9	66.6	60.7	58.0
Net rental income	55.4	53.7	50.2	45.7	44.7
Operational result	44.8	43.4	39.1	36.2	35.6
Net result	206.9	(172.7)	14.3	233.1	152.6
Distributable result	51	48	42	39	38
Revaluation of properties in %	7.8%	(10.1%)	(1.3%)	10.2%	7.0%

Financial position

Amounts in € million

As at	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Investment properties in operation	1,976	1,683	1,756	1,690	1,462
Investment properties under construction	45	174	238	254	180
Investment properties held-for-sale	-	1	1	1	3
Participations	114	109	121	110	73
Total investments [1]	**2,135**	**1,967**	**2,116**	**2,055**	**1,718**
Total assets (GAV)	2,203	1,997	2,151	2,099	1,789
Capital (NAV)	2,178	1,974	2,128	2,080	1,770
Current development exposure (as % of GAV)	2%	9%	11%	12%	10%
Forward commitments (off-balance sheet)	132	123	186	332	312

Financial ratios

As at	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Solvency rate	98.9%	98.9%	99.0%	99.1%	99.0%
Loan-to-value ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Payout ratio of distributable result	100%	100%	100%	100%	100%
NAV Total Global Expense Ratio (TGER) [2]	0.52%	0.51%	0.51%	0.50%	0.55%
GAV Real Estate Expense Ratio (REER) [3]	1.06%	0.90%	0.75%	0.80%	0.79%
Current gross yield [4]	4.3%	4.4%	3.9%	3.7%	4.0%
Current net yield [5]	3.1%	3.3%	2.9%	2.8%	3.1%
Occupancy rate [6]	98.3%	98.5%	98.7%	98.3%	98.7%

Portfolio figures

As at	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Number of properties	91	92	90	87	85
Number of residential units	6,096	5,781	5,520	4,938	4,759
Number of parking spaces	2,786	2,784	2,528	2,179	2,033
Net lettable area (sq.m.)	547,394	541,552	522,244	480,017	467,067
GRESB score	90 (5-star)	92 (5-star)	90 (5-star)	88 (5-star)	84 (5-star)
Addition of affordable dwellings	346	197	455	123	216
Coverage of A & B labels (percentage of portfolio)	93%	81%	75%	75%	71%
On-site renewable energy (installed kWp)	5,272	4,919	3,262	1,875	1,476

1 Excluding the right-of-use assets.
2 Vehicle fees and costs (including performance fees), expressed as a percentage of time-weighted average INREV NAV. Calculated on a rolling four-quarter basis.
3 Property-specific fees and costs as a proportion of INREV time-weighted average INREV GAV. Calculated on a rolling four-quarter basis.
4 Calculated as current gross rental income as at end of the period divided by the value of investment properties in operation and held-for-sale.
5 Calculated as gross yield multiplied with the net/gross ratio.
6 Occupancy rate as a percentage of market rental value.

'We are confident that the Fund is well prepared for the future and will continue to prove its worth, through active asset management, focused acquisition management, in-house property management and a long-term emphasis on sustainability and social impact.'

Robbert W.Y. van Dijk

Foreword

We are pleased to present the ASR Dutch Core Residential Fund 2024 annual report. This report provides the financial statements, an overview of the Fund's performance and its management, as well as a glimpse at the year ahead.

2024 was a year of recovery

The international political and economic climate has remained very much uncertain, with ongoing conflicts in Ukraine and the Middle East, geopolitical tensions and trade uncertainties, especially after Trump's re-election. However, for the Dutch markets, and especially the Dutch residential investment market, 2024 was a year of recovery. The Dutch economy made a modest recovery in 2024, with annual GDP growing, wages increasing and unemployment holding steady. The rise in inflation was higher compared with the eurozone, due to the aforementioned increase in wages and extensive international connections. However, the Dutch residential investment market saw a distinct recovery mainly in the second half of 2024, due to diminishing political and market uncertainty and a high demand for housing combined with relatively low interest rates.

While in 2023 the Dutch residential investment market faced high levels of uncertainty relating to government interventions and legal litigation, 2024 saw most of these issues resolved. In July 2024, legislation on affordable housing ('de Wet betaalbare huur') came into effect, along with the updated home valuation system ('Woningwaarderingsstelsel' or 'WWS'). Although this has had a negative impact on the valuation in some individual cases due to the capping of future rent increases, the effects have proved minimal for the majority of the portfolio. This is because either most of the rental units are above the 187 WWS point threshold or the rent is still well below the rent cap determined by the new legislation. In the case of legal litigation, more clarity was given. In November 2024, the Dutch Supreme Court, following the advice of the general prosecutor, ruled that a rent adjustment clause that provided for an annual surcharge of up to 3% on top of the consumer price index was, in general, not considered unfair. This ruling was in line with the Fund's practice and makes further litigation on this topic highly unlikely. Finally, the increase of the real estate transfer tax (RETT) to 10.4% in the first quarter of 2023 is expected to be reversed in the first quarter of 2026, which would be a favourable outcome for professional investors.

Recovered capital growth and solid income return

While the Dutch residential investment market was faced with large devaluations in 2023 and ended with the stabilising of capital growth, 2024 began with a small increase in capital growth and ended with a solid recovery. This was fuelled by increased rental values and supply shortages, which have been at the base of the upward trend for house prices. This was already evident in the Dutch residential owner-occupied market at the end of 2023 where recovery was already clearly visible, but it also became apparent in the Dutch residential investor market during 2024. The year saw higher transaction and investment volumes, driven by large portfolios of standing investments that were sold by institutional investors to foreign and private investors with a sell-off strategy.

For the Dutch residential investor market, the recovery began cautiously in the first quarter of 2024, but ended with a solid capital growth of 2.9% and 3.2% in the third and fourth quarter of 2024. The above-mentioned recovery led to a positive fair value growth of 7.8% for 2024 for the Fund, with capital going up from € 1,974m to € 2,178m and assets under management going up from € 1,967m to € 2,135m.

The income return was also positive, going up from 2.4% in 2023 to 2.6% in 2024. The main drivers for this increase were the dividend income received due to the Fund's participation in Grotiusplaats Den Haag C.V. (The Roofs) and additional rental income from newly completed properties (partly offset by portfolio sales in the first and fourth quarter of 2024). The Fund further optimised its income growth through active asset management. As a result, the gross rental income grew from € 71.9m to € 77.2m. Occupancy is still an essential driver for the portfolio's returns, and this remained relatively stable at 98.3% throughout the year.

The Fund's total off-balance sheet commitment ended up at € 132m and four out of five pipeline projects are under construction. In order to meet our standards of sustainability and expected profitability, the Fund keeps a critical eye on new and existing projects.

During 2024, the Fund had seven closings. A total capital of € 130.6m was issued, and € 90.6m of capital was repaid. A total amount of € 8.4m relating to the distributable result in units was issued. Throughout 2024, the Fund maintained its 0% leverage status, and this is also expected to be the case for 2025.

The ASR Dutch Core Residential Fund achieved a GRESB score of 90 points (compared to 92 points in 2023). With a GRESB rating of five stars, the Fund is in the top 20% of best-performing GRESB funds in the world. The Fund has also worked hard to achieve its ESG targets: its output from solar panels went up from to 4,919 kWp in 2023 to 5,272 kWp by the end of 2024. The final figures for energy intensity and GHG intensity will be in the Fund's ESG annual report, which is expected to be published in May 2025.

Furthermore, the Fund continues to make efforts to enhance the sustainability of existing assets in its portfolio. Over 1,000 dwellings have already seen sustainable improvements, resulting in a more sustainable portfolio. In 2024, the Fund started Capex programmes in Houten to improve the sustainability of these dwellings and make these dwellings Paris Proof compliant, thus improving the energy label from B/D to A+++. These properties were enhanced by adding isolation, solar panels, and heat pumps.

Fundamentals remain favourable

The long-term outlook for the Dutch residential rental market remains favourable. This is due to the scarcity of supply of affordable residential units and a narrow pipeline for new housing projects, combined with the high demand for this segment.

In 2025, the Fund will continue to focus on further strengthening the portfolio's core profile, with an emphasis on affordable housing, sustainability, and customer focus. With an equity pipeline of € 210m as at the end of 2024, the Fund will continue to execute its impact investment strategy, concentrating on adding affordable dwellings to the portfolio. Sustainability has become an integral part of our strategy, which was formalised in the Fund's annually updated ESG policy. And last but not least, customer focus remains an important part of our strategy.

We are confident that the Fund will continue to prove its worth in 2025, through active asset management, focused acquisition management, in-house property management, and a long-term emphasis on sustainability and social impact. For 2025, we will continue to work on generating a solid income return and a positive capital growth for our investors, as well as making a social impact with affordable and sustainable dwellings for our tenants.

Utrecht, the Netherlands, 7 April 2024

Fund Management Team, ASR Dutch Core Residential Fund
Robbert W.Y. van Dijk, *fund director*
Marsha Sinninghe, *fund manager*
Ralph Bank, *fund controller*

Fund **profile**

The ASR Dutch Core Residential Fund ('the Fund') was launched on 1 January 2013. On that date, the Anchor Investor transferred its properties to the Fund. The Fund had its initial closing, with the first external investor, on 1 January 2015. The Fund has been growing ever since, currently with sixteen investors, as at 31 December 2024. The Anchor Investor is still committed to the Fund, holding a total of 45.9% of the units (as at 31 December 2024), although its control is capped (one vote in the Investment Committee and a maximum of 40% of the votes in the Meeting of Investors).

The Fund is solely open for professional investors ('professionele beleggers') within the meaning of Section 1:1 of the Dutch Financial Markets Supervision Act ('Wet op het financieel toezicht' or 'FMSA') or for a non-professional investor who is designated a professional investor pursuant to Section 4:18c of the FMSA.

ASR Dutch Core Residential Fund is structured as a fund for joint account (fonds voor gemene rekening or 'FGR') under Dutch law. The Fund is not a legal entity (rechtspersoon) but is a contractual arrangement sui generis between the Management Company (ASR Dutch Core Residential Management Company B.V.) and the Legal Owner (ASR Dutch Core Residential Custodian B.V.), subject to the terms and conditions that relate to the Fund and the parties involved (such as the AIF Manager, Management Company, Investors and the Depositary) included in the Fund Agreement. The Fund shall have an indefinite term, subject to early dissolution of the Fund in accordance with Clause 15 of the Fund Agreement.

The Fund is considered transparent for Dutch corporate income tax purposes and Dutch dividend withholding tax purposes.

AIF Manager & Management Company

The AIF Manager (ASR Real Estate B.V. or a.s.r. real estate) is licensed as an alternative investment manager in the Netherlands further to article 2:65 of the FMSA and therefore subject to conduct supervision by the Netherlands' Authority for Financial Markets ('Autoriteit Financiële Markten') and to prudential supervision by the Dutch Central Bank ('De Nederlandse Bank').

The Management Company of the Fund is ASR Dutch Core Residential Management Company B.V., which is a wholly owned subsidiary of the AIF Manager. The Management Company is charged with the management of the Fund. The Management Company shall ensure that the Fund is managed in accordance with the Fund Agreement and therefore in accordance with the Investment Objective & Strategy, Investment Criteria and the Investment Restrictions as set out therein. The Management Company is authorised to represent the Fund.

The Management Company will act in its own name, but will indicate that it is acting on behalf of the Fund. a.s.r. real estate has been appointed as statutory director of the Management Company. The Management Company will rely on the real estate track record and experience of a.s.r. real estate as the AIF Manager of the Fund. The Management Company shall act in the best interest of the investors and shall require the same of the AIF Manager. This is laid down in the Management Agreement concluded between the Management Company and the AIF. The AIF Manager will perform the services as referred to in paragraphs 1 (portfolio management and risk management) and 2 (other functions) of Annex 1 of the AIFMD.

Legal Owner

The Legal Owner of the Fund's assets is ASR Dutch Core Residential Custodian B.V. The Legal Owner keeps the legal title of all assets and liabilities directly and indirectly held for the risk and account of the investors. The management board of the Legal Owner consists of the Stak (Stichting Administratiekantoor ASR Dutch Core Residential Custodian). The AIF Manager serves as the director of the Stak.

Depositary

BNP Paribas S.A., a company organised under French law, acting in this respect through its Amsterdam branch, has been engaged as the Fund's Depositary.

Governance

Fund Agreement

The Management Company shall ensure that the Fund is managed in accordance with the Fund Agreement and therefore in accordance with the Investment Objective & Strategy, Investment Criteria and the Investment Restrictions as set out therein.

Three Year Business Plan

The Fund has outlined an investment policy in accordance with Investment Objective & Strategy, Investment Criteria and the Investment Restrictions as set out in the Fund Agreement. Each year, the Management Company presents the investment policy as a Three Year Business Plan. This 'Three Year Business Plan' is presented at the Meeting of Investors, after it has been discussed with and formal advice given by the Investment Committee.

Investor influence

Each investor shall be beneficially entitled to the Fund and any income generated on the portfolio assets pro rata the size of its investments (to the number of Units held by each investor) in the Fund. The investors have a certain control over key decision-making of the Fund through the Meeting of Investors and the Investment Committee.

Meeting of Investors

Meetings of Investors will be held as often as required. However, at least one physical Meeting of Investors will be held each year, within 9 months following the end of the Fiscal Year upon the initiative of the Management Company. At this annual Meeting of Investors, the Management Company or the AIF Manager will present the Three Year Business Plan and the Accounts to be considered and approved by such meeting. The Meeting of Investors shall also vote on the appointment or dismissal of the auditor or valuer(s), removal of the Management Company and material amendments to the Fund Agreement.
Each investor will have a number of votes equal to the number of Units it holds in the Fund; the Anchor Investor will hold a maximum of 40% of the votes. Two Meetings of Investors were held in 2024.

Investment Committee

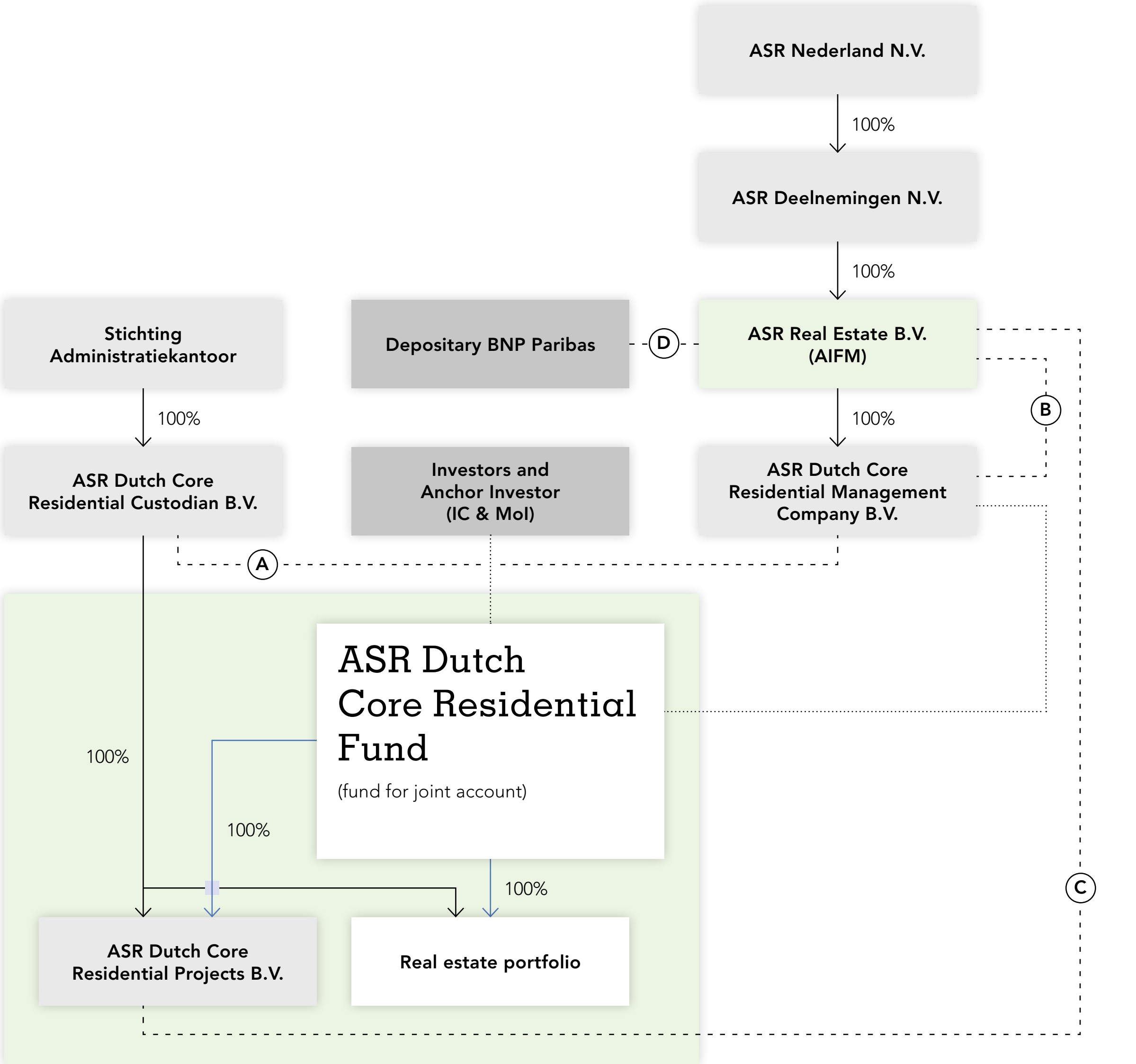
The Investment Committee is responsible for monitoring compliance by the Management Company and the AIF Manager with the Investment Objective & Strategy, the Investment Criteria and the Investment Restrictions. Furthermore, it shall be consulted by and render its advice to the AIF Manager whenever the approval or advice of the Investment Committee is required, pursuant to the Fund Agreement. The Investment Committee meets as often as is required. Two Investment Committee meetings were held in 2024.

Conflict of interests

The Management Company acts in the interest of the investors. Conflicts of interest may arise in the structure of the Fund, since the Management Company, the AIF Manager, the Legal Owner, Project B.V. and the Anchor Investor are all (indirect) subsidiaries of a.s.r. These companies will be assisted in the conduct of business by directors, officers and agents, including representation by common legal and tax counsels representing both the Fund and a.s.r.

Because of these relationships, certain directors and officers of the Management Company and the AIF Manager may have obligations to others that conflict with their duties in the Fund. Prior written approval of the Investment Committee will be required in relation to transactions which involve a conflict of interest on the part of either the Management Company, the AIF Manager or an Investor, to the extent such transactions materially affect the Fund, are not expressly contemplated or approved by the terms of the Fund Agreement or Prospectus. The member of the Investment Committee, nominated by the Investor who has the conflict of interest, is not allowed to vote.

Figure 1 ASR Dutch Core Residential Fund - simplified fund structure



A	Fund Agreement (Legal Owner – Manco)
B	Management Agreement (AIFM – Manco)
C	Project Agreement (AIFM – Projects B.V.)
D	Depositary Agreement (AIFM – Depositary)

——	legal ownership
——	economic ownership
- - -	contractual relationship
·······	contract relating to

Remuneration policy of the AIF Manager

The remuneration policy is set at the level of ASR Nederland N.V. and is part of the HR-policy. The remuneration policy is determined by government policies and societal opinion on remuneration in the financial sector.
The remuneration policy supports the strategy and business objectives of ASR Nederland N.V. and must enable ASR Nederland N.V. to attract and retain qualified employees. Since 1 July 2014, remuneration includes all remuneration groups of fixed salary only. The fixed remuneration consists of a fixed gross monthly salary, a holiday allowance of 8% and a thirteenth month. The amount of the fixed remuneration (with the exception of the Executive Board) is determined by the weight of the job and the salary group. The growth of the fixed salary concerns an annual increase of 3% (providing there is room for this in the scale). The fixed salary is indexed according to the collective increase in the insurance business.

The Fund had no employees in 2024. All employees and directors working for the Fund are employed by ASR Nederland N.V. There is a service agreement ('inleenovereenkomst') in place between a.s.r. real estate and the HR department of ASR Nederland N.V. In addition, there is a cost allocation agreement in place between ASR Nederland N.V. and a.s.r. real estate. The allocation of personnel expenses to a.s.r. real estate is based on fte-driven cost allocation keys. The total costs of a.s.r. real estate amount to € 42.7m for 2024 and are recognised in the statement of income and comprehensive income in the period in which they were incurred (on an accruals basis). These costs consist of personnel expenses that total € 31.5m, based on an average of 206 FTE, including two directors. Of this total, € 0.5 million can be allocated to the directors of the AIF Manager. The rest of the personnel expenses relate to three identified staff members and other staff. As at 31 December 2024, the total number of FTE in a.s.r. real estate is 209. The other costs, consisting of such items as ICT, business support, advisory, and marketing costs, amount to € 11.2m.

The total remuneration of employees involved in the Fund is included in the management fees, which are charged in favour of a.s.r. real estate. The estimated number of employees that are fully or partly involved in the Fund is 48. This number is based on an estimate of the work that employees performed for the Fund.

The total remuneration for the employees of a.s.r. real estate involved in the Fund is € 6.6m. This amount was fully charged by the AIF Manager of the investment entity. The following table shows the composition of the remuneration of the employees involved in the Fund:

Table 1 Remuneration

Amounts in € million

2024	Number of employees	Fixed remuneration	Variable remuneration	Total remuneration	Percentage of remuneration
Executive Board	2	0.1	-	0.1	2%
Identified staff	1	0.3	-	0.3	5%
Other staff	45	6.2	-	6.2	93%
	48	**6.6**	**-**	**6.6**	**100%**

2023	Number of employees	Fixed remuneration	Variable remuneration	Total remuneration	Percentage of remuneration
Executive Board	2	0.1	-	0.1	2%
Identified staff	1	0.3	-	0.3	5%
Other staff	41	5.6	-	5.6	93%
	44	**6.0**	**-**	**6.0**	**100%**

The 2024 identified staff remuneration relates to one identified staff member whose remuneration can be allocated directly to the Fund. All other employees who perform work for the Fund are classified as 'other staff'. In accordance with Article 1: 120 paragraph 2 sub a of the Wft, we can report that no person has received compensation exceeding € 1.0m.

ISAE

An internal control system in accordance with the International Standard of Assurance Engagements (ISAE) has been in place since the launch of the Fund. As of 2018, an integrated ISAE Type II audit (ISAE 3402 combined with COS 3000) is performed annually. This standard for assurance reporting on service organisations gives the auditor a framework for evaluating the efforts of a service organisation at the time of audit to prevent accounting inconsistencies, errors and misrepresentation. It also requires the management to provide a description of its 'system' and a written statement of assertion. The internal control system relates to the asset and property management activities, as well as to the Finance and Risk department and IT management processes. Compliance to the ISAE framework is audited by an external auditor. In February 2025, a.s.r. real estate received an ISAE 3402 Type II statement without remarks for the year 2024.

Project BV

To maintain the tax status of the Fund and its Investors, no development activities should take place within the Fund. As a consequence, ASR Dutch Core Residential Projects B.V. (Project BV) has been set up as a subsidiary of the Fund. The Fund will engage Project BV for maintenance, renovation and/or extension activities of portfolio assets, as well as for assets to be acquired by the Fund, that qualify as development activities for Dutch tax purposes, on such terms that such refurbishment activities do not jeopardise the tax status of the Fund nor the tax status of the Investors. Project BV will solely engage in any such activities with respect to portfolio assets or assets to be acquired by the Fund and therefore not with respect to assets of parties other than the Fund.

Project BV receives a remuneration at arm's length for the Permitted Project Activities it performs for the Fund. Such arm's length remuneration has to be agreed upon between the Fund and Project BV on a project-by-project basis and covers the activities performed by Project BV. Any remuneration is charged to the Fund. Project BV is subject to corporate income tax, which is charged over the fiscal result.

Project BV is a 100% subsidiary of the Fund. This means that Project BV's shares are owned by the ASR Dutch Core Residential Custodian B.V. in a legal sense, while economically the shares are owned by the Fund's investors. In this report, the Project BV's figures have been consolidated in the figures of the Fund. No standalone ('enkelvoudig') financial statements of the Fund and Project BV are being presented, since they would only differ marginally from the consolidated figures.

Mariënpark, Leidschendam

Report of the management company

For the period 1 January 2024 to 31 December 2024

The ASR Dutch Core Residential Fund ('the Fund') was launched on 1 January 2013. On that date, the Anchor Investor transferred its properties to the Fund. The Fund had its initial closing on 1 January 2015. As at 31 December 2024 the Fund had sixteen investors and the Anchor Investor held 45.9% of the units in the Fund. This annual report presents the year-to-date figures as at 31 December 2024.

Market **developments**

Dutch economy

The recovery continues, with higher economic growth and lower inflation
The Dutch economy performed relatively well in 2024, with annual GDP growth reaching 0.9%, surpassing the eurozone average of 0.7%. This growth marks an improvement from the 2023 stagnation, although it is still below the long-term average of 1.2%. This rebound was primarily driven by robust government spending in key areas such as healthcare, defence, and infrastructure, along with a steady recovery in private consumption. These factors helped sustain household incomes and consumer confidence despite persistent inflationary pressures.

The labour market remained strong throughout the year, with employment levels holding steady at approximately 11.5 million jobs, and the unemployment rate rising only slightly from 3.6% to 3.7%. Although this increase is minimal, it reflects the delayed impact of the economic downturn in 2023, as well as some business bankruptcies and restructuring. It is important to note that the Netherlands continues to maintain one of the lowest unemployment rates in the eurozone. Wage growth in 2024 was above average, with contractual increases averaging 6.6% and real wages growing by 4.5%, while inflation was declining. This improvement in real income strengthened purchasing power, leading to increased consumer spending in sectors such as hospitality, entertainment, and insurance. While consumer confidence saw a notable recovery from its record low in 2022, sentiment did weaken in the second half of the year due to ongoing economic uncertainties. Nevertheless, confidence levels remained higher than in 2023.

Fiscal policy for 2025 indicates a focus on stimulating the economy through targeted tax relief and additional funding for housing, even as the government reduces spending in areas like climate, international cooperation, and education to maintain fiscal discipline. On the monetary front, a series of ECB rate cuts in 2024 — reducing the main refinancing rate from 4.5% to 3.15% — has improved affordability and contributed to the recovery, although monetary policy remains restrictive. Despite inflationary and geopolitical risks, 10-year Dutch government bond yields have been taking a downward trajectory since the latter half of 2024.

Looking ahead, the Dutch economy is projected to grow by 1.9% in 2025, driven by continued domestic demand and supportive government policies. However, ongoing vulnerabilities — such as external shocks, trade uncertainties, and geopolitical tensions — suggest that caution remains essential as the country navigates its way towards a gradual recovery.

Figure 2 Key economic indicators

		2024	2023	
GDP growth	y-o-y real	**0.9%** [1]	0.1%	↗
Consumer prices	Consumer price index (CPI), y-on-y	**3.3%**	3.8%	↘
Consumer confidence	Average balance	**-23**	-29	↗
Unemployment	ILO unemployment rate	**3.7%**	3.6%	↗
Private consumption	y-o-y consumer spending	**1.1%** [1]	0.4%	↗
Producer confidence	Average balance	**-2.6**	-3.4	↗

[1] Estimation based on full year forecast. The arrows refer to the experienced change over the period.
Source: Statistics Netherlands (CBS), Eurostat, 2024; a.s.r. real estate, CBS, 2025.

The Dutch economy recovered in 2024 after a challenging 2023, but growth remained modest
After a turbulent 2023, the Dutch economy has shown signs of gradual recovery in 2024. Following a minimal quarter-on-quarter growth of 0.1% in Q1, economic expansion gained momentum throughout the year, reaching 0.9% for the full year. While this growth remains below the historical average of 1.2%, it marks an improvement compared to the economic stagnation experienced in 2023. The primary drivers of growth in 2024 were government spending, particularly in healthcare, defence, and infrastructure, along with a steady recovery in private consumption (CBS, 2025). At 0.9%, the Netherlands' economic growth was stronger than that of the eurozone, which grew by 0.7%. Looking ahead, the Dutch economy is projected to grow by 1.9% in 2025, driven by an increase in private consumption and government spending (CBS, 2025; DNB, 2024).

Above-average wage increases due to the tight labour market and strong bargaining position of employees
Despite economic challenges, the Dutch labour market remained tight throughout 2024. While the total number of jobs remained stable at approximately 11.7 million, the unemployment rate increased slightly from 3.6% in 2023 to 3.7% in 2024 (CBS, 2025). This rise is attributable to the delayed effect of the economic downturn in 2023, as well as business bankruptcies and restructuring efforts. However, the Netherlands still maintains one of the lowest unemployment rates in the eurozone, which itself is at 6.3% (Eurostat, 2024). The Dutch unemployment rate is expected to rise gradually from 3.7% in 2024 to 4.5% in 2028 (CPB, 2024). Although this remains low, this could potentially suppress future wage growth, and as a result affect purchasing power and inflation.

In 2024, wage growth remained robust, with average contractual increases of 6.6% (CBS, 2025), driven by inflationary pressures and a tight labour market. As inflation declined, real wages grew by 4.5%, enhancing purchasing power and supporting consumer spending. This rise in real income, although partly allocated to savings, mortgage repayments, and housing investments, contributed to a gradual improvement in consumer confidence — from a record low of -59 in 2022 to -23 in 2024. Although sentiment weakened in the second half of the year due to concerns about the economic climate and personal finances, overall confidence remained higher than in 2023. This recovery was reflected in increased spending on services such as hospitality, entertainment, and insurance, indicating that the improved wage and income environment helped bolster consumer activity, despite lingering challenges.

The outcome of the 2025 budget suggests that the impact of the coalition agenda will be limited
2024 saw a significant shift in the political landscape of the Netherlands with the formation of a new coalition government, comprising the PVV, VVD, NSC, and BBB. This coalition brought forth an agenda aimed at revitalising the economy and addressing pressing social issues. On Budget Day, held on 17 September 2024, the government presented its proposals, outlining a strategic economic direction for the coming years.

The new coalition's budget emphasised economic stimulation, with measures designed to enhance financial security, boost consumer confidence, and drive spending. This includes targeted tax relief and adjustments to benefits aimed at easing the financial pressures on lower to middle-income households. In addition, extra funding was allocated to address challenges in the residential market, with a focus on increasing construction and improving affordability.

To finance immediate tax cuts and financial relief for households while maintaining fiscal discipline, the Dutch government planned to reduce spending in areas such as climate policy, international cooperation, and education. However, this focus on short-term financial relief may come at the expense of long-term investments in education, innovation, and infrastructure, potentially hindering future economic growth and the international competitiveness of the Dutch economy.

In the short-term, the macroeconomic effects of the government's decisions are expected to remain minimal. GDP growth for 2025 is projected to be 0.1% lower than previously estimated (CPB, 2024). Moreover, the increase in purchasing power is likely to be smaller than initially forecasted. For 2025, purchasing power is expected to rise by 0.6%, which is 0.3% lower than projected in the prior forecast (CPB, 2024).

The Netherlands' highly interconnected economy renders it particularly vulnerable to global shocks
Geopolitical tensions, including potential trade uncertainties stemming from U.S. policy shifts following the 2024 presidential election, pose risks to economic stability. The prospect of new trade restrictions and tariffs could disrupt supply chains, resulting in higher inflation and negatively impact Dutch exports and GDP growth (DNB, 2024). In the short term, the threat of U.S. tariffs may temporarily boost Dutch exports, as companies expedite imports in anticipation of these measures. However, sustained trade conflicts could have detrimental long-term effects.

Furthermore, the Netherlands Bureau for Economic Policy Analysis (CPB) highlights that escalating geopolitical tensions, such as the escalation of conflict in the Middle East or deteriorating relations between Europe, the U.S., and China, present significant downside risks to economic projections.

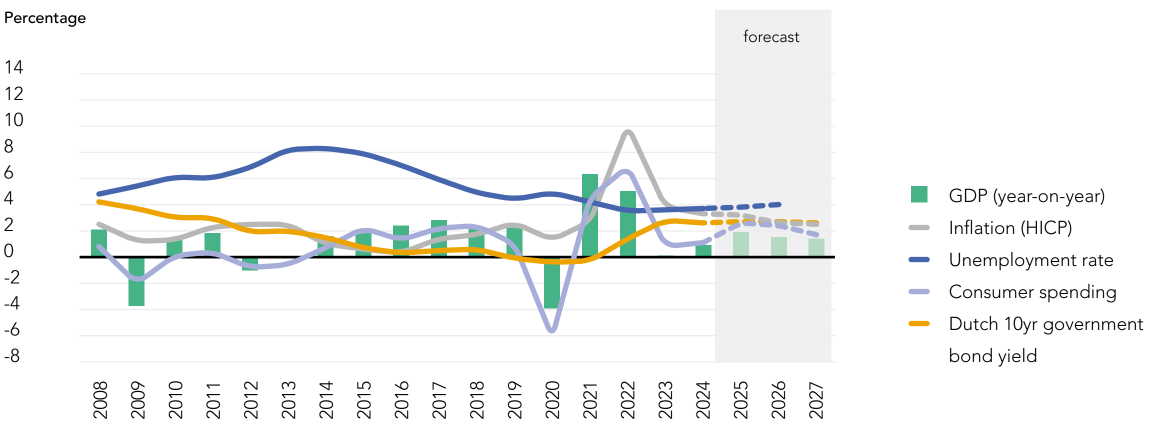
Regionally, economic challenges in Germany — the Netherlands' primary trading partner — have constrained export growth. Although the Netherlands' reliance on Germany has lessened since 2012, with a decline in the added value of exporting Dutch goods to Germany, sluggish economic growth in Germany continues to dampen the demand for Dutch products. In addition, impending EU budgetary constraints that will necessitate substantial spending cuts in countries like France, Spain, and Italy could have macroeconomic repercussions for the Dutch economy (CPB, 2024).

Dutch inflation remained relatively high compared to the eurozone, rising to 4.1% by the end of 2024
Inflation remained a key issue for the Dutch economy in 2024. After declining from the peak levels of 2022-2023, consumer prices remained relatively high, with inflation averaging at 3.3% (CPI) for the year. The primary drivers of inflation included wage growth, service sector price increases, and fluctuations in fuel prices. Notably, while inflation in the eurozone (2.6% HICP) is gradually decreasing to the 2% target percentage set by central banks, inflation in the Netherlands remains relatively stable and above 3% (DNB, 2024). This is primarily attributable to higher wage growth as well as a stronger labour market.

ECB's less restrictive policy aims to return interest rates and inflation to more neutral levels
There were no cuts in the policy rate during the first two quarters of 2024, but the ECB embarked on a less restrictive policy in July 2024. In total, the main refinancing rate fell four times in 2024. Beside the rate cuts, the ECB also changed its framework. The result was that the main refinancing rate dropped from 4.5% to 3.15% in 2024. The rate cuts reflect a better inflation forecast in the eurozone, with the expectation that core inflation will decline towards the target of 2% over the medium term and should also provide a positive stimulus for economic growth (DNB, 2024; ECB, 2024). The ECB indicated during its December meeting that, providing inflation aligns with projections, it aims to return rates to more neutral levels – those that neither stimulate nor restrain economic activity. Despite the recent cuts, monetary policy remains restrictive, suggesting that further rate reductions are necessary to achieve a neutral stance.

The Dutch 10-year government bond yield has been in a downward trajectory since July 2024
The average 10-year government bond yield in 2024 was lower than in 2023. Fluctuations in the bond yields at the end of 2024 can be attributed to expectations of higher inflation, increased risks due to geopolitical tensions, adjustments in central bank monetary policy, and optimism about economic growth. Anticipating increased uncertainty in the wider economy, investors may seek core quality investment product yielding stable, indexed linked income return on the one hand, but may also demand higher returns as compensation for increased risks and inflation expectations (a.s.r. real estate, 2024; Eurostat, 2024).

Figure 3 Dutch economic indicators



Source: Statistics Netherlands (CBS), Eurostat, CPB, Consensus Forecast, ECB, 2024; CBS, 2025

The Dutch real estate investment market

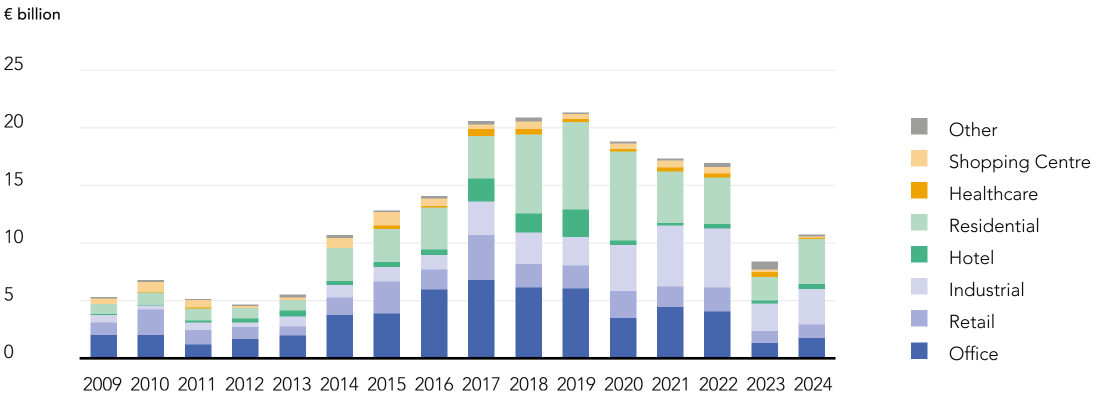
Real estate investment volumes show recovery after initial interest rate cuts in 2024

In 2024, the Dutch real estate investment market experienced a notable resurgence, with investment volumes increasing by approximately 35% compared to 2023, reaching a total of € 11.1 billion. This growth, while encouraging, matches the 2006-2024 annual average of 11.2 billion but still falls short of the unprecedented pre-pandemic annual investment levels of around € 20 billion. The stabilisation of property valuations since early 2024 has facilitated more agreements between buyers and sellers, particularly in the latter half of the year. However, challenges such as elevated financing costs and geopolitical tensions are causing investors to be more cautious.

A significant factor influencing market dynamics is the high cost of financing. Despite 2024 seeing the European Central Bank (ECB) implement four interest rate cuts of 25 basis points each to combat inflation and stimulate investment, borrowing costs remain substantial compared to pre-COVID-19 levels. These elevated costs have led to investor caution, with many investors postponing new projects or expansions due to concerns over profitability. This environment, combined with a deteriorating investment climate, has also resulted in a decline in foreign investment, with the share of international investors going down from 58% to 35% in 2024, further impacting market liquidity (CBRE, 2025). A further decrease in inflation and future interest rate cuts could lead to more agreements between buyers and sellers in 2025 (CBRE, 2025; Consensus, 2025, CPB, 2025).

The most popular investment categories in 2024 were the residential and logistics sectors, which accounted for 36.6% and 28.6% respectively of the total invested volume. Offices (16.3%) and retail real estate (11.0%) followed at some distance behind. The largest year-on-year increase was in the residential investment market, where the investment volume nearly doubled (+91%) compared to 2023. This improvement is largely attributable to large-scale sell-off portfolios and the increase in larger new-build transactions. The residential and logistics sectors are also the only sectors where the investment volume exceeded the 2006-2024 historical average (CBRE, 2025).

Figure 4 Dutch real estate investment volumes



Source: CBRE, 2025

Since 2014, foreign investors have dominated the Dutch real estate market. However, their share has gone down significantly, from 58% in 2022 to 35% in 2024. This shift suggests the reduced appeal of the Dutch market to international investors. This trend is primarily attributable to an increasingly challenging investment climate in the Netherlands.

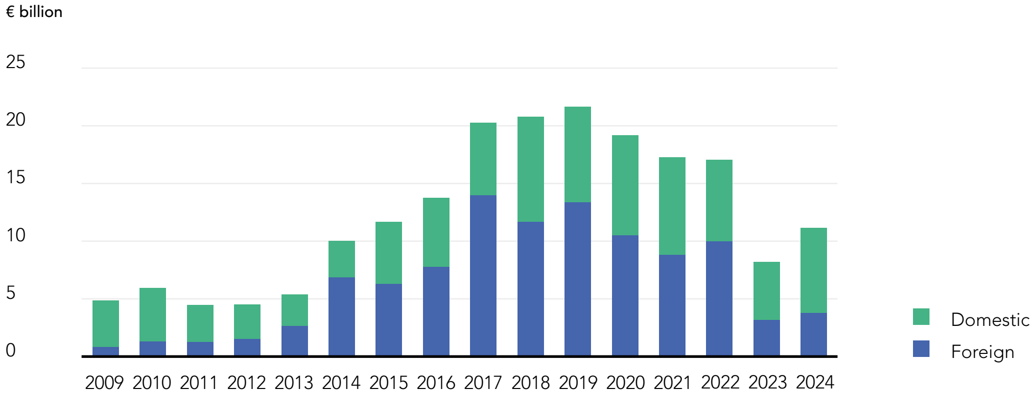
One significant deterrent was the substantial increase in transfer tax rates, which rose from 2% to 10.4% in recent years. This hike has escalated acquisition costs, thereby diminishing the expected returns, especially for investors with shorter investment horizons.

Changes in tax policy have further compounded the issue. Effective as of 1 January 2025, the favourable tax regime for fiscal investment institutions (FBIs) that invested directly in domestic real estate was abolished, subjecting these entities to the standard corporate income tax rate of 25.8%. In addition, modifications to the earnings stripping rule will limit interest deductibility, thus increasing the taxable base for entities heavily reliant on debt financing. These changes erode the tax advantages previously enjoyed by foreign investors, potentially leading to reduced profitability.

Moreover, the perception of unpredictable and inconsistent government policies have created an environment of uncertainty, making it more challenging to make informed investment decisions. As previously mentioned, financing costs remain relatively high compared to pre-COVID levels, further impacting the attractiveness of the Dutch market.

Collectively, these factors have prompted foreign investors to reassess their involvement in the Dutch real estate sector, potentially shifting their focus to higher yielding markets with more favourable tax and regulatory environments.

Figure 5 Share of domestic and foreign investors in the Netherland



Source: CBRE, 2025

In 2024, the Netherlands accounted for 5.7% of all real estate investment in Europe, including the UK, totalling approximately € 11.1 billion. This figure is in close alignment to the 2006-2024 average of € 11.2 billion. While this represents an increase of 5.1% in 2023, the Netherlands slipped from 5th to 6th place, changing places with Sweden. The UK continued to attract the most investment at 32.4%, followed by Germany (17.5%), France (9.3%), and Spain (7.1%). Notably, Germany and France experienced significant declines compared to their historical averages, with decreases of 34% and 25% respectively, whereas Spain exceeded its average by 49% and Sweden by 55% (CBRE, 2025).

Looking ahead, investment volume is expected to increase in 2025, continuing the slightly optimistic momentum of 2024. This is because buyers and sellers see more stability in the market due to the bottoming out of valuations, leading to stable yields. In addition, further interest rate cuts by the ECB are expected in 2025, which could lead to an increase in the yield spread and therefore enhance the attractiveness of real estate.

Dutch residential market

Dutch residential investment market: strong recovery and growth

The Dutch residential investment market experienced a dynamic 2024, marked by a shift from stabilisation to recovery and growth. The year began with the residential market regaining momentum after devaluations in capital growth of -/- 8.9% in 2023 (MSCI, 2025). While capital values had taken a hit throughout 2023, the first quarter of 2024 saw the rate of decline slowing down (-/- 3.6% y-o-y and + 0.3% q-o-q in Q1 2024) and reversionary yields showed signs of settling. Income return growth, driven by the earlier drop in capital value, offered a silver lining for investors. Rental values continued their upward trajectory, fuelled by persistent supply shortages.

As the year progressed into the second quarter, clear signs of a market turnaround emerged. Falling capital market interest rates and increased clarity on rent control policy played a key role. Devaluations bottomed out and capital growth turned positive for the first time since early 2022, with figures of 2.3% quarter-on-quarter and 1.0% year-on-year. This positive trend was fuelled by the continued rise in market rental values (7.5%), driven by the ongoing imbalance between supply and demand.

By the third quarter, the residential investment market recovery had gained real momentum. The upward trend in capital growth continued, with figures of 3.1% quarter-on-quarter and 5.1% year-on-year. Following two quarters of declining but positive yield shifts, Q3 2024 marked the first quarter with a marginal decline in reversionary yields, down by 8 basis points to 4.88% (MSCI, 2025).

As 2024 drew to a close, the positive trends solidified. Capital growth remained strong, surpassing pre-decline averages. Market yields further stabilised, confirming that the market had indeed found a new equilibrium, and there continued to be robust growth in rental values. Market rental value growth grew at 7.5% year-on-year (MSCI, 2025), well above the annual rise in consumer prices (Eurostat, 2025), as shown in figure 6. This sharp increase was primarily driven by market tightness and fuelled by regulatory changes, sluggish construction activity, and strong demographic growth. Given these factors, rental value growth is expected to remain robust and to continue to outpace inflation, albeit limited due to rental regulations.

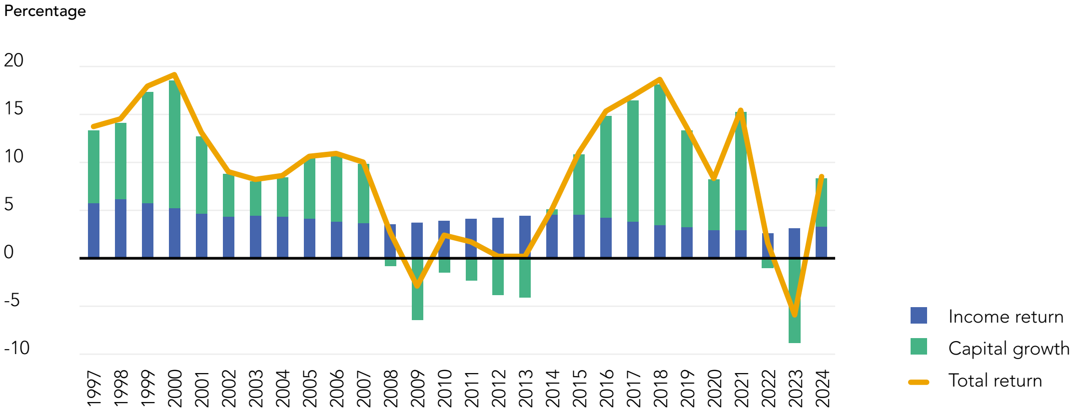
This ultimately resulted in capital growth of 5.1% in 2024 (MSCI, 2025). At 3.2%, income return stayed relatively stable compared to 2023 (3.1%). As a result, the total return for the full year was 8.5%. Just as in 2023, single-family houses outperformed apartments in both capital growth and income return (Table 2).

Table 2 Dutch residential investment market returns

	2024, year-on-year		
	Single-family houses	Apartments	Total
Total return	10.1% (Q3)	7.8% (Q3)	8.5% (Q3)
Capital growth	6.5% (Q3)	4.5% (Q3)	5.1% (Q3)
Income return	3.4% (Q3)	3.2% (Q3)	3.2% (Q3)
Market rental value growth	8.3% (Q3)	7.2% (Q3)	7.5% (Q3)

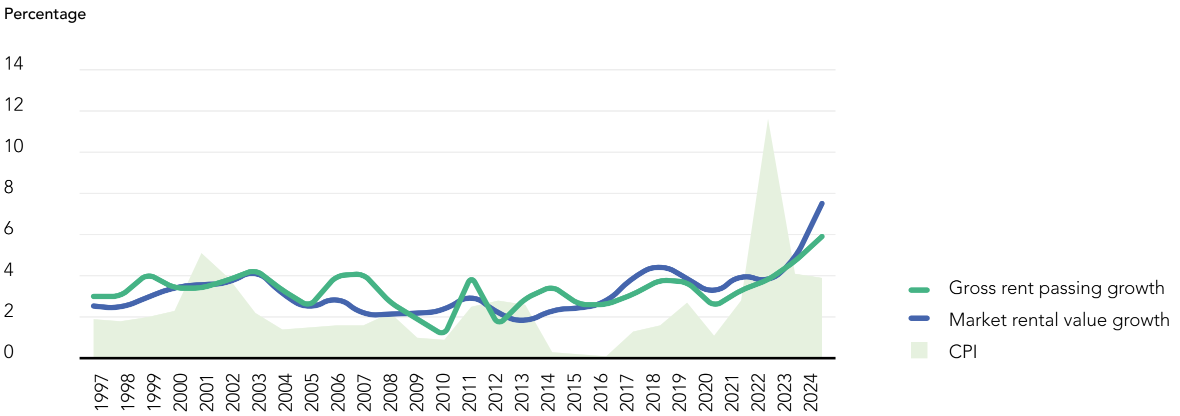
Source: MSCI, 2025

Figure 6 Capital growth and income return: Dutch residential investment market (y-o-y % change)



Source: MSCI, 2024

Figure 7 Rental growth and Dutch consumer prices (y-o-y % change)



Source: MSCI, Eurostat, 2024

Two residential market key trends highlighted

New build pace still lagging behind in 2024

In 2022, the Dutch government set an ambitious target to construct approximately one million new dwellings by 2030, which meant building about 100,000 new dwellings per year. However, this target was not met in any of the years so far. In 2024, the pace of new-build also lagged behind, as housing stock increased by only 89,000 units through new construction and other housing developments – a decrease in pace compared to the previous five years. This growth represented a 1.0% increase in the total housing stock. The 89,000 additions consisted of 69,000 newly built homes and a net gain of 20,000 units from other modifications. This includes the conversions of non-residential buildings into homes, as well as the splitting and merging of existing residences.

Demolitions also impacted the housing inventory, with 19,000 homes demolished or withdrawn as the result of mergers or changes in function. Consequently, the net increase in the housing stock was only 70,000 units, bringing the total to nearly 8.3 million homes — a 0.9% growth for the year. In absolute numbers, South Holland saw the most significant increase, completing 17,900 homes, followed by North Holland with 16,700 and North Brabant with 12,500. Amsterdam led with the highest number of new homes, adding 6,400 units, while Rotterdam realised 4,500 new homes.

Moreover, the number of building permits issued has not kept pace with the targeted rates of construction. After a 21% y-o-y increase in permits issued in the second quarter of 2024 (18,800 permits), the third quarter only saw 12,400 permits issued. The underlying challenges are complex and multifaceted. Key factors include high construction costs, fragmented land markets, staff shortages that put limits on both construction companies and municipalities, congestion on the electricity grid, and more stringent environmental regulations relating to nitrogen emissions, all of which contribute to current difficulties. Therefore, the overall number of permits remains insufficient to meet the annual target of 100,000 new homes, an indication that the shortfall in housing construction is likely to persist in the coming years (Statistics Netherlands, 2024).

Figure 8 Developments in housing stock, building permits, and construction costs

Source: Statistics Netherlands, 2025

Status of Transfer Tax Reduction

On 1 January 2023, transfer tax was increased from 8% to 10.4% to strengthen the position of first-time buyers and home movers compared to investors in the residential market. This increase led to greater reluctance among investors to invest in rental properties. As part of the 2025 Tax Plan presented on Budget Day 2024, the government announced that the transfer tax for investment properties will be reduced from 10.4% back to 8% as of 1 January 2026. This measure aims to make rental residential investments more attractive and ensure continued investment in affordable rental properties. However, the Council of State advised against reducing the transfer tax because the measure is considered complex and unfocused, which might lead to more legal uncertainty and complications in its implementation. Although unclear, the Council's advice could influence the government's final decision on the measure.

The owner-occupied residential market: rising prices and increasing number of transactions

After nearly a decade of continuous growth, the Dutch residential market experienced its first year-on-year price decline in 2023, with house prices falling by 2.8% (Statistics Netherlands, 2025). However, this decline was less severe than anticipated. The sharpest decline occurred in Q4 2022, but by the second half of 2023 prices had already begun to recover. This resurgence was underpinned by several key factors. Firstly, a structural housing shortage contributed to the upward pressure on prices, as it limited the availability of homes for purchase. Secondly, a tight labor market, characterised by historically low unemployment rates and strong wage growth, bolstered household incomes and consumer confidence. Furthermore, potential sellers hesitated to list their properties amid fluctuating interest rates, which further constrained the housing supply.

Another significant factor in this recovery was the decline in mortgage rates that began in December 2023, following indications from the European Central Bank regarding policy rate cuts. This increase in borrowing capacity stimulated both demand and transaction activity and, as a consequence, house prices rose by 8.7% throughout the year (Statistics Netherlands, 2025). What was also evident were the regional disparities in house price developments. The province of Utrecht recorded the highest price growth at 11.6%, largely driven by a 15.2% increase in the city of Utrecht, making it the most significant rise among the four largest cities. Amsterdam's increase of 8.7% was equal to the national average.

In terms of property types, all categories saw price increases in 2024, in contrast to the declines observed in 2023. Terraced houses experienced the largest price rise at 10.3%, while detached houses saw the smallest increase at 5.9%.

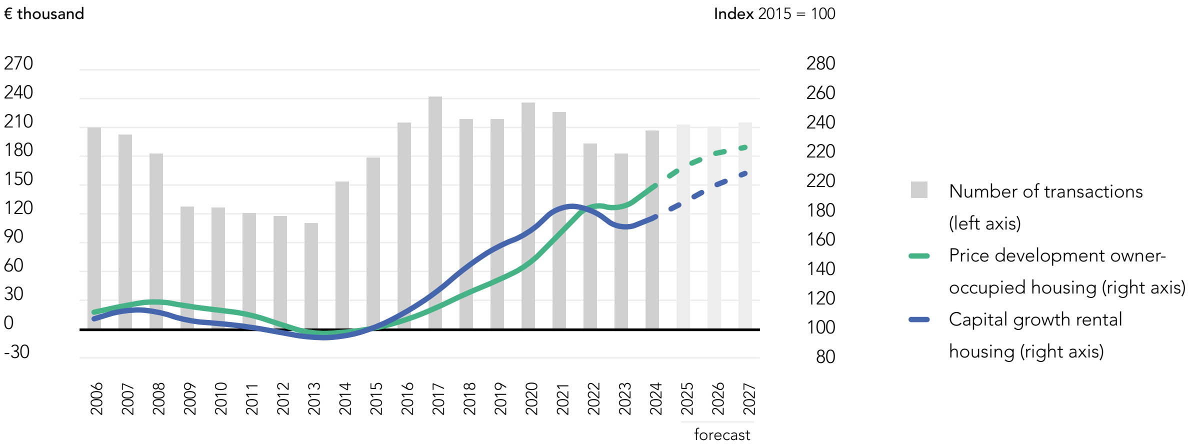
Transaction volumes also reflected this positive trend, with a 11.6% increase over 2024 (Statistics Netherlands, 2025), reversing three consecutive years of decline. The province of North Holland was leading at an 18% increase, while the province of Utrecht recorded the smallest rise at 7%. Among the four largest cities, Rotterdam experienced the most substantial growth in transactions at 26.1%, while Amsterdam, The Hague, and Utrecht also saw higher sales than the previous year. The number of transactions for apartments grew by 27.4%, representing the most significant growth among property types, whereas terraced and corner houses had the smallest increase, at 3% (Statistics Netherlands, 2025). Although this cannot be directly supported with data, the selling off of apartments by investors is considered a possible reason for the high percentage of apartment transactions.

Table 3 Owner-occupied market indicators

	2024	1-year growth	3-year growth	Forecast 2025
House price (average)	€ 450,985	8.7%	19.6%	7.4%
Transactions	206,458	13.2%	(8.7%)	3.2%

Source: Statistics Netherlands, a.s.r. real estate, 2024

Figure 9 Price development of residential real estate (index, 2015=100) and number of transactions



Source: Statistics Netherlands, MSCI, a.s.r. real estate, 2024

Rental market: affordability & regulation characterising 2024

The Dutch residential market has seen significant legislative changes, notably the Affordable Rent Act, which took effect on 1 July 2024. This regulation aims to create a more regulated rental sector, especially in the mid-market segment. However, it remains uncertain how effective these changes will be on the supply of rental housing. The cap on annual indexation and a larger regulated segment (up to 186 WWS points) could have the opposite effect to the one intended, as declining investor interest and increasing individual sales could increase the shortage of available rental dwellings. On the other hand, long-term core investors aiming for affordable rents are likely to remain active, as capital values are stabilising and market rental value growth continues to grow.

In a key legal development, the Dutch Supreme Court clarified the rules around annual rent increase clauses, specifically those allowing landlords to increase the rent annually by up to 3% - at the landlord's discretion - above the consumer price index. The Sub-District Court challenged the contractual standard for the Dutch residential annual rent increase 'ROZ-model woonruimte' using 'CPI+', it being an annual indexation added with a surplus at the landlord's discretion. It was the surplus figure added at the landlord's discretion that was the specific item challenged. In these particular cases, the Sub-District Court concluded that the underwriting of the surplus was insufficient and thus arbitrary and in conflict with European legislation. To gain more clarity on the topic, these preliminary legal questions were taken to the Supreme Court.

On 29 November 2024, the Dutch Supreme Court ruled that a rent increase clause with a surcharge of up to 3% was not unfair in principle and was intended to bring rental prices in alignment with rising costs and property values. While the ruling offers clarity, the fairness of individual surcharge clauses will still be assessed on a case-by-case basis, ensuring a balance between landlord and tenant interests in the Dutch residential market.

Market **outlook**

Economy

The current macro-economic projections are based on a neutral scenario[1]. Global economic growth is projected at 3.3% for 2025 and 2026, which is below the historical average of 3.7% (2000-2019). Among developed economies, there is a varied picture of how growth developments will unfold. In the United States, the underlying drivers are robust, leading to an expected growth of 2.7% in 2025 (IMF, 2025). In the eurozone, growth is expected to gradually pick up, with a projected growth of 0.9% in 2025 and 1.2% in 2026 (ECB, 2025). Economic growth in China is projected to be 4.6% in 2025, and it is expected to remain stable at 4.5% in 2026. The progress of disinflation is expected to continue in 2025. Inflation will move moderately down towards the 2% target set by central banks. In the United States, inflation is expected to remain slightly above the target of 2%, which will lead to a less significant decline in central bank rates compared to Europe. In Europe, falling interest rates are also predicted to stimulate the economy (IMF, 2025). The 10-year government bonds are expected to remain at around 2.7%, slightly higher than in 2024 (2.6%), indicating a stable but tense interest rate climate (CPB, 2025).

In this neutral scenario, the Dutch economy is projected to grow by 1.9% in 2025, driven by higher domestic spending by both households and the government. This is an acceleration compared to 2024 (0.9%) and indicates further recovery after 2023. Growth is expected to slow to 1.5% in 2026, partly due to uncertainties in the global economy and the impact of trade developments. However, this growth is still higher than the average expected for the eurozone (CPB, 2025). Inflation in the Netherlands is expected to remain at 3.2% in 2025, which is still above the European Central Bank's target. This is partly due to persistently high wage growth and policy effects such as the VAT increase. Collective labour agreements (CAO) wages are expected to rise by 4.8%, meaning real wages will increase, giving households more disposable income (CPB, 2025). Strong wage pressure has kept service prices high, but disinflation will continue in the neutral scenario as energy prices stabilise and the impact of tight monetary policy remains felt (DNB, 2024).

The labour market remains tight, but unemployment is expected to rise slightly from 3.7% in 2024 to 3.8% in 2025 and 4.0% in 2026. This is because companies, facing higher labour costs and declining profitability, are becoming more cautious in hiring. Employment growth is expected to be limited (CPB, 2025). However, the unemployment rate will remain structurally lower than the eurozone average (DNB, 2024). Household consumption is expected to grow by 2.6% in 2025 and 2.4% in 2026 (CPB, 2025). However, consumer confidence remains vulnerable due to concerns about geopolitical tensions and economic uncertainty (DNB, 2024).

Current geopolitical tensions, potential trade wars, extensive defence spending and other macroeconomic uncertainties could steer the eurozone towards a different path than laid out in the neutral scenario: a stagflation scenario. In this scenario, inflation will rise sharply. This is driven by such factors as higher import tariffs and additional defence and infrastructure spending. This will be accompanied by low economic growth and possibly rising unemployment. In such a scenario, the ECB would need to respond adequately with higher interest rates to cool down inflation. Stagflation is often relatively short-lived (2-3 years), but the impact would be critical on both the economy and real estate investment market.

1 Geopolitical tensions continue to weigh on sentiment and potential growth. It is important to note that short-term risks can vary significantly between countries. An increase in protectionist policies, such as trade tariffs, could exacerbate trade tensions, reduce investments, impair market efficiency, disrupt trade flows, disrupt supply chains, and trigger inflation. This could harm economic growth in both the short and medium term, although this may vary by economy (IMF, 2025).

Residential real estate

Following a challenging 2022 and 2023 and recovery in 2024, the Dutch residential investment market is poised for a strong 2025, making the shift from recovery to robust growth. Stabilised income returns and renewed capital growth are setting the stage for a positive trajectory. Supported by broader economic stability, favourable interest rates, and sustained investor confidence, the market presents exciting opportunities for residential investments in the Netherlands.

The market fundamentals are expected to remain resilient over the coming years. Demographic growth, particularly in the G5 regions (Amsterdam, Rotterdam, The Hague, Utrecht, and Eindhoven), will continue to drive the housing demand. However, new housing construction is unlikely to meet government targets, which will contribute to persistent shortages in the (rental) residential market.

The ongoing housing shortages are likely to push further price growth in the owner-occupied market. By the end of 2025, housing prices are projected to have risen by approximately 7.2% (ING, 2024; ABN AMRO, 2024; Rabobank, 2024). This trend will probably exacerbate affordability challenges, further increasing demand for rental properties and driving rental growth.

On the rental residential market, there is expected to be an ongoing trend of private investors selling off rental dwellings to the owner-occupied market, further driving shortages on the rental residential market. The ongoing housing shortages will continue to put upward pressure on rental income, making residential investment an attractive option for those seeking consistent cash flow. Rental growth is expected to be the most significant driver for anticipated capital growth for the coming year.

The stabilisation of borrowing costs fosters a more predictable financial environment, allowing investors to make informed decisions with greater certainty. The European Central Bank's (ECB) ongoing interest rate cuts are steadily lowering borrowing costs, which eases financial pressure on leveraged investors. The further reductions that are anticipated in 2025 should reinforce market confidence. With the expected stable risk-free rate, we might see some minor yield compression over the coming year.

With improving economic conditions, strong demand, and a clearer regulatory framework, the Dutch residential investment market in 2025 is well-positioned for continued expansion and sustained investor interest. The market offers attractive opportunities for investors seeking stable cash flows and capital growth, supported by robust economic fundamentals and favourable market conditions.

Fund **objectives** and **strategy**

Investment objectives

The ASR Dutch Core Residential Fund provides access to a mature core diversified residential portfolio in the most attractive locations of the Netherlands, as identified by a.s.r. real estate. The investment objectives of the ASR Dutch Core Residential Fund are to provide stable, sustainable and attractive returns by investing in high-quality residential assets, and by actively managing and adding value to the existing portfolio.

Key objectives

The Fund has a core strategy and focuses on investing in apartments and single family houses in the strongest economic and demographic agglomerations and cities in the Netherlands

Core Residential Investments
High-quality residential assets with long-term stable income and low risk profile

Best-performing agglomerations and cities
Regions with strong economic and demographic fundamentals

Target Groups
Focus on the most promising target groups, in the selected agglomerations and cities

Impact Investing Affordable Housing
Focus on the affordable rental segment: average monthly rents up to € 1,425

Sustainability
Sustainable dwellings & achieving a net-zero portfolio by 2045

Dedicated Organisation – In-house team solely focusing on residential real estate

Investment policy

The Fund´s policy is to invest capital in a profitable way in direct real estate in clearly defined market segments, while focusing on the growth of its net assets over the long term. The investment objectives are to acquire, own and manage a portfolio of real estate with a focus on core, high-quality residential rental assets in the economically and demographically strongest regions of the Netherlands. The AIF Manager will undertake active asset management initiatives to unlock inherent reversionary potential and generate capital appreciation.

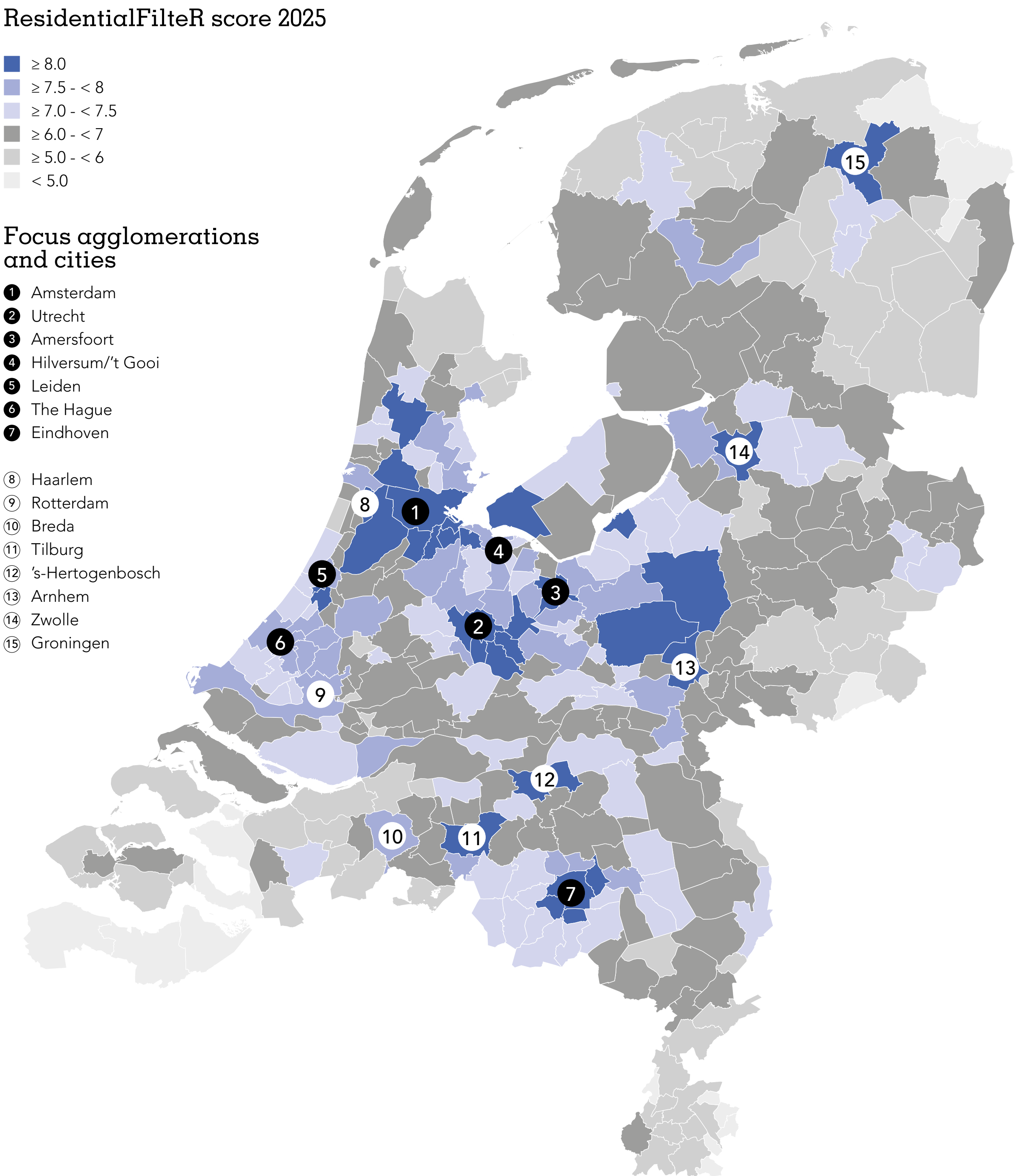
Investment strategy

The investment strategy is predominantly to buy, hold and unlock reversionary potential of residential (rental) real estate in the Netherlands. The focus of the portfolio is on investing in apartments and single family houses in the strongest economic and demographic agglomerations and cities in the Netherlands to secure the core character of the portfolio. The investment policy focuses on a diversified portfolio with regards to location, occupier characteristics and residential types. This ensures long-term portfolio quality.

The Management Company executes its strategy by focusing on the following aspects of the Fund:
- **Core residential investments:** the focus of the Fund is on high-quality residential and (limited) other assets with a long-term stable income and low-risk profile. a.s.r. real estate identifies core investments using its internal research tooling (such as ResidentialID and the Asset Analysis Tool).
- **Best performing agglomerations and cities:** based on its long-term background and knowledge of the Dutch residential market and the application of its research tools, a.s.r. real estate has developed a strategy focusing on the best performing agglomerations and cities in the Netherlands. Concentrating on investment opportunities in the identified segments will provide the highest returns due to strong demand and therefore low vacancy levels, inflation hedged returns and stable fair values. a.s.r. real estate's unique ResidentialFilteR identifies the best performing residential areas by tracking the key performance indicators of all municipalities in the Netherlands relating to demographics, economics and the real estate investment market.

Based on this analysis and expert judgement, the Fund focuses on the following fifteen areas (seven focus agglomerations and eight focus cities), as shown on this ResidentialFilteR map of the Netherlands.

Figure 10 ResidentialFilteR



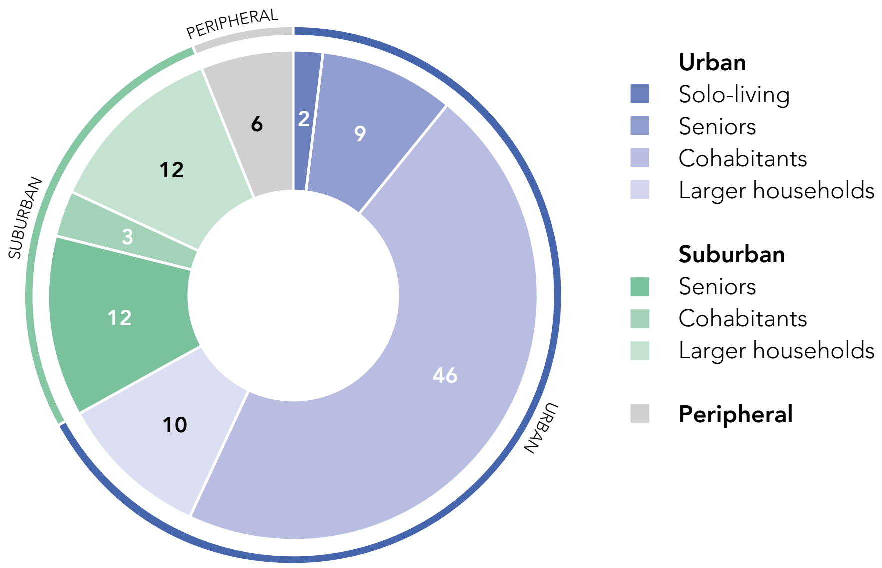
Source: a.s.r. real estate, 2024

- **Target groups:** alignment with customer demand creates a well-lettable portfolio and is a key element of a core portfolio. Based on a research-driven approach, a.s.r. real estate has defined four main target groups:.
  - Solo-living (one-person households);
  - Cohabitants (couples without resident children; single parent/co-parent with children; two adults);
  - Seniors (solo-living or cohabitants ~ 55+ years old);
  - Larger households (family with one or two full-time parents; three or more adults).

  Given its geographical focus (urban and suburban), the Fund will mainly focus on the following target groups: solo-living, seniors and cohabitants.
- **Affordable housing:** the Fund's focus is on investing in the affordable rental segment. As of 1 January 2025, this segment is distinguished by rents up to € 1,425 per month. By doing so, the Fund builds a well-lettable portfolio and fulfils its social responsibility. The Fund has developed an impact investing strategy, focused on the addition of affordable dwellings to the portfolio.
- **Sustainability:** sustainability has become an essential precondition of a core portfolio. A sustainable portfolio ensures long-term value for both investors and tenants. Sustainable dwellings are attractive to tenants for many reasons, such as lower energy costs and a healthier indoor climate. They are also attractive to investors, since a sustainable portfolio adds value over time and helps to mitigate risks. The Fund aims to achieve a net-zero portfolio by 2045.
- **Dedicated organisation:** the foundation upon which the strategy is built is as important as the strategy itself. a.s.r. real estate has an in-house team dedicated to focusing only on residential real estate.

Figure 11 Target groups

Percentage



Target groups

	Solo-living	Seniors	Cohabitants	Larger households
Household size	One person	One or two persons	Two persons	Three or more persons
Composition / Characteristics	One person living alone	> 55+	Couples without (resident) children; single parent/ coparent with children; two adults	Family with one or two full-time parents; three or more adults
Location preferences	Urban & suburban	Urban & suburban	Urban & suburban	Suburban or peripheral

Financial performance

Result for 2024

The net result was € 206.9m in 2024 (2023: € -/- 172.7m), which corresponds to a net result of € 136 per unit (2023:-/- € 116) and resulted in a distributable result of € 34 per unit (2023: € 32).

The total return for 2024 was 10.5% (2023: -/- 8.0%), which is composed of an income return of 2.6% (2023: 2.4%) and capital growth of 7.8% (2023: -/- 10.4%). The combination of strong rental value growth and a marginal decline in reversionary yields was the basis for this positive capital growth. The income return also showed a positive trend compared to the previous year. The main driver for this increase was the dividend income received due to the Fund's participation in Grotiusplaats Den Haag C.V. (The Roofs). A detailed description of the net result is provided in the figure below.

Figure 12 Net result as at 31 December 2024

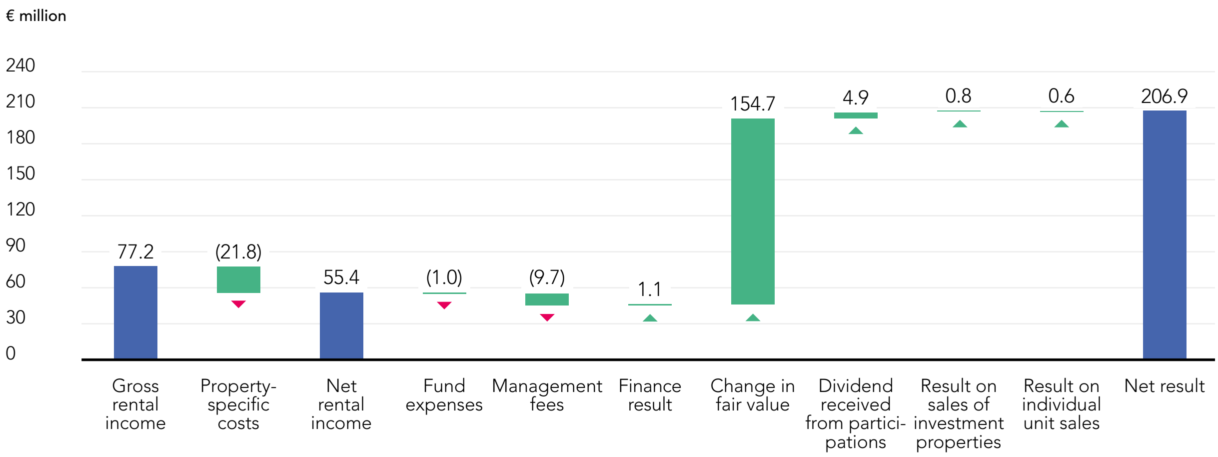


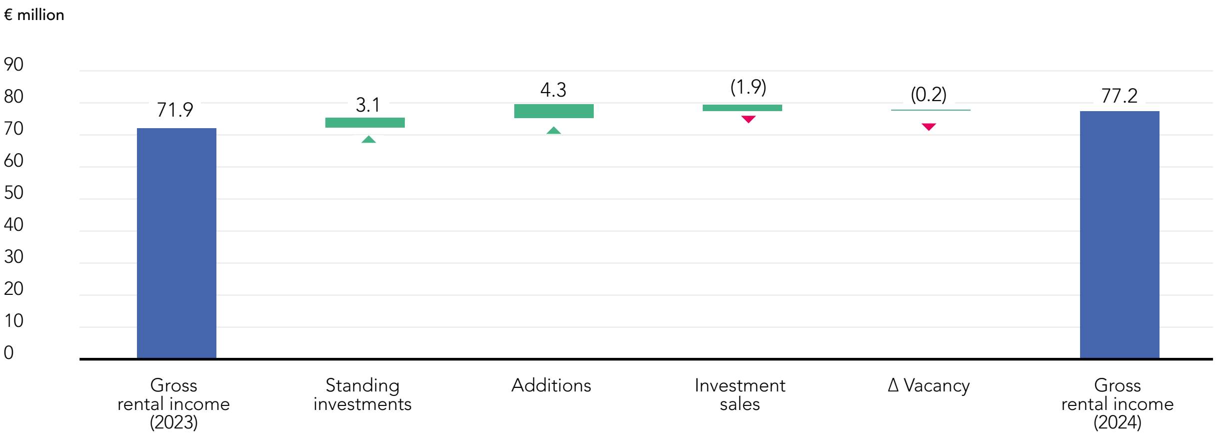
Table 4 Net result per unit (in €)

For the year	2024	2023	2022	2021	2020
Gross rental income	50.64	48.30	45.97	44.56	44.77
Property-specific costs	(14.29)	(12.27)	(11.33)	(11.03)	(10.22)
Fund expenses	(0.63)	(0.59)	(0.49)	(0.50)	(0.65)
Management fees	(6.34)	(6.32)	(7.18)	(6.46)	(6.44)
Operating result per unit	**29.38**	**29.12**	**26.97**	**26.57**	**27.47**
Finance result	0.69	0.64	(0.10)	(0.39)	(0.32)
Changes in fair value of investment properties	98.01	(140.12)	(17.53)	131.17	82.95
Changes in fair value of right-of-use contracts	(0.03)	(0.03)	(0.05)	(0.05)	(0.06)
Changes in fair value of participations	3.56	(7.89)	(1.40)	11.16	4.21
Dividend income of participations	3.22	-	-	-	-
Result on sales of investment properties	0.54	-	-	-	1.27
Result on individual unit sales	0.41	2.26	1.98	2.66	2.35
Net result per unit	**135.78**	**(116.02)**	**9.87**	**171.12**	**117.88**

Gross rental income

Gross rental income was € 77.2m year-to-date as at 31 December 2024, which is an 7.3% increase on 2023 (€ 71.9m). This increase was attributable to the completed development of (forward) acquisitions and (annual) rent increases and was partly offset by investment sales and some individual unit sales. Like-for-like theoretical rental growth amounted to 4.7%. Financial vacancy amounted to -/- € 1.5m year-to-date as at 31 December 2024, compared with -/- € 1.3m in 2023.

Figure 13 Changes in gross rental income



Property-specific costs

Property-specific costs as at 31 December 2024 amounted to € 21.8m, corresponding to 28.2% of gross rental income (2023: € 18.3m or 25.4% of gross rental income). The increase is mostly due to higher maintenance expenses, which account for the largest proportion of property-specific costs and which amounted to € 11.3m or 14.7% (2023: € 9.2m or 12.7% of gross rental income). This increase in maintenance expenses was due to increased prices for labour and materials, as well as some setbacks caused by asbestos, leakages and additional expenses for paint works. Moreover, marketing expenses (mainly for projects delivered in 2024) and an increase in other property-specific costs (related to expenses for obtaining new NEN 2580 measurements, energy label (EPA) certificates, and WWS points for the majority of the portfolio) further added to the property-specific costs total.

Fund expenses
Fund expenses amounted to € 956k as at 31 December 2024 (2023: € 888k). The main categories within fund expenses are valuation fees paid to external appraisers (€ 351k), administration and secretarial fees (€ 270k) which consisted mainly of legal fees relating to the indexation clause, depositary fees (€ 150k), and audit fees (€ 127k). When fund expenses and management fees (see below) are calculated together as a percentage of average INREV NAV, this results in a NAV Total Global Expense Ratio (TGER) of 0.52% (2023: 0.51%).

Management fees
Management fees, which amounted to € 9.7m as at 31 December 2024 (2023: € 9.4m), are related to the asset management fee (€ 8.7m) and fund management fee (€ 1.0m). These fees are calculated as 0.42% and 0.05% respectively of the average IFRS NAV for the quarter.

Finance result
The finance result amounted to € 1.1m as at 31 December 2024 (2023: € 1.0m) and mainly concerns the positive balance of interest expense and interest income.

Portfolio

Portfolio performance

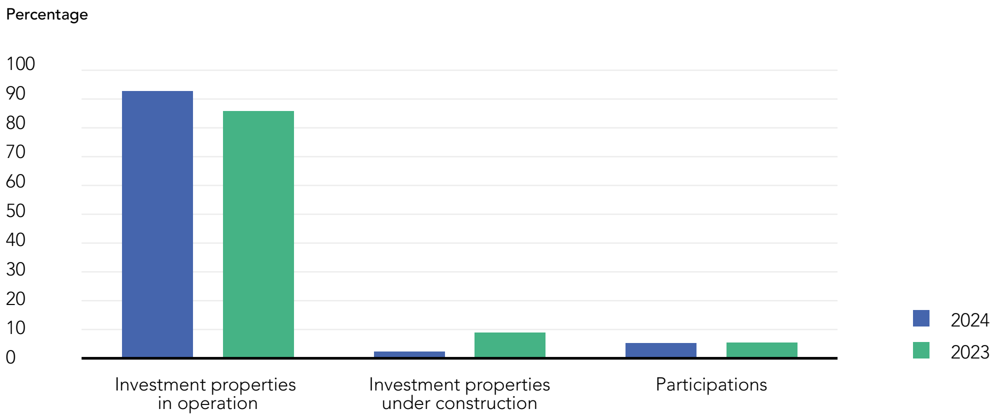
Portfolio overview

The Fund's portfolio as at 31 December 2024 consisted of 91 properties, comprising 6,096 residential units and 2,786 parking spaces. The number of residential units increased compared to the previous year, as a result of the completion of forward acquisitions (Ridderhof in Wassenaar, Ottho in Amsterdam, Wonderwoods in Utrecht and Ravelijn in Diemen), in the second half of 2024. This was partially negated by the sale of apartment buildings Nachtwachtlaan and Europaboulevard in Amsterdam in March 2024 and the sale of a small portfolio of seven assets in Nieuwegein, Zeist, Leusden, Eindhoven, Alphen a/d Rijn, Breda and Haren in December 2024 as well as three individual unit sales.

Apartments account for approximately 74.2% of the residential units in the portfolio, calculated as the total of multi-family units as a percentage of total residential units. When calculating this number as the sum of fair value of multi-family units as a percentage of total fair value of residential units, this rises to 76.1%. The number of parking spaces remained almost equal.

The share of investment properties under construction decreased from 9% in 2023 to 2% in 2024. This was due to large developments being completed and transferred to investments in operation and term payments relating to forward acquisitions. Aside from the Fund's investment properties under construction, the Fund has a total off-balance sheet commitment of € 132m, as at 31 December 2024.

Figure 14 Investment status as percentage of fair value as at 31 December 2024



The portfolio's ten largest properties account for 38.5% of the total portfolio's fair value, as at 31 December 2024. This is an increase compared to the previous year (35.9%) and is the result of additions, sales and revaluations.

Table 5 Overview of the ten largest properties as at 31 December 2024

Property	City	Region	Percentage of total portfolio's fair value
Ottho	Amsterdam	Amsterdam	5.5%
The Roofs	The Hague	The Hague	5.4%
Wonderwoords	Utrecht	Utrecht	4.8%
Wicherskwartier	Amsterdam	Amsterdam	3.8%
Terwijde-centrum	Utrecht	Utrecht	3.4%
Wibautstraat	Amsterdam	Amsterdam	3.4%
Staalmeesterslaan	Amsterdam	Amsterdam	3.4%
The Minister	Rijswijk ZH	The Hague	3.4%
Lamérislaan	Utrecht	Utrecht	2.9%
Cruquiuswerf	Amsterdam	Amsterdam	2.4%
Total			**38.5%**

Occupancy and vacancy

The portfolio's overall occupancy rate amounted to 98.3% of theoretical rental income as at 31 December 2024, which is a slight decrease compared to 31 December 2023 (98.5%). Residential units in the portfolio were characterised by an average occupancy rate of 98.7%, and thus residential units account for 1.3% of the portfolio's total vacancy. The remaining vacancy in the total portfolio mainly concerns parking spaces (0.2%) and commercial space (0.2%).

Table 6 Overview of the top ten vacancies as at 31 December 2024

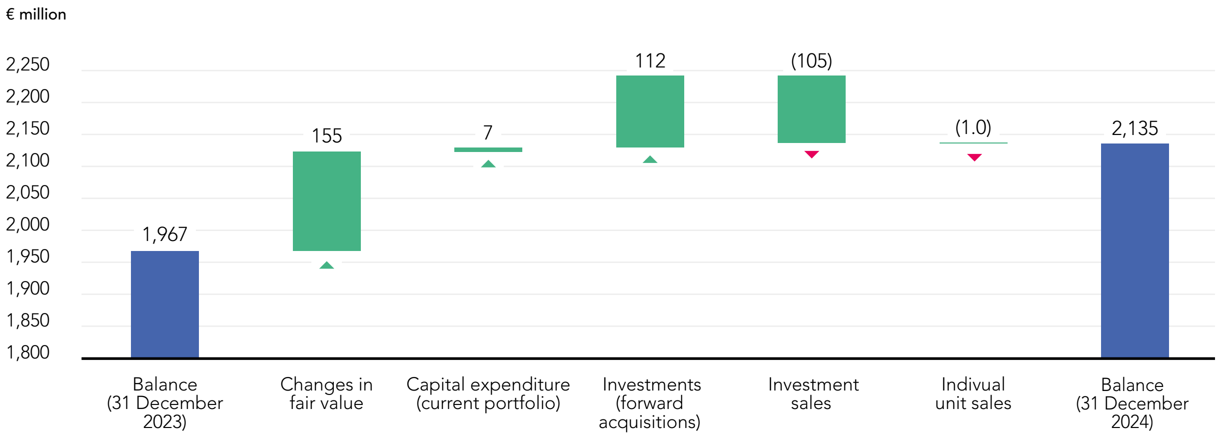
Property	City	Region	Total contract rent (€ '000)	Vacancy (€ '000)	Vacancy rate (%)	Vacancy as percentage of total portfolio vacancy	Property status
Staalmeesterslaan	Amsterdam	Amsterdam	2,584	307	10.6%	19.5%	Operational
Ottho	Amsterdam	Amsterdam	5,109	238	4.5%	15.1%	Operational
RiMiNi	Amstelveen	Amsterdam	1,693	161	8.7%	10.2%	Operational
The Roofs	The Hague	The Hague	4,940	72	1.4%	4.6%	Operational
Lamérislaan	Utrecht	Utrecht	2,738	64	2.3%	4.1%	Operational
Bonifaciuslaan 1	Hilversum	Hilversum	1,480	64	4.1%	4.1%	Operational
Wonderwoords	Utrecht	Utrecht	4,816	52	1.1%	3.3%	Operational
Van Randwijkstraat	Leiden	Leiden	1,545	51	3.2%	3.2%	Operational
Wibautstraat	Amsterdam	Amsterdam	3,273	50	1.5%	3.2%	Operational
Vathorst 1	Amersfoort	Amersfoort	2,227	50	2.2%	3.2%	Operational
		Total	**30,405**	**1,109**		**70.5%**	

Portfolio additions and sales

Assets under management

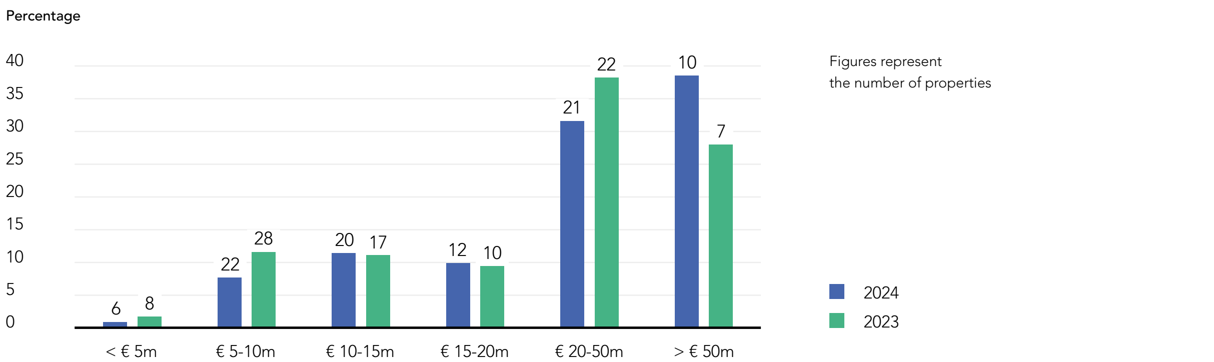
The value of the Fund's assets under management (investment properties and participations) increased to € 2,135m as at 31 December 2024, mainly due to positive changes in fair value and term payments for off-balance sheet commitments and capital expenditures. These positive changes were offset by investment sales and individual unit sales.

Figure 15 Assets under management as at 31 December 2024



Throughout 2024, the Fund's standing investments portfolio (excluding investment properties under construction) increased from € 1,793m to € 2,090m. The portfolio is spread across different value classes, as shown in the figure below. Changes in the composition of this overview are mainly the result of additions, sales and revaluations. The number of properties with a value of € 50 million and above increased, as a result of the addition of forward acquisitions Ottho in Amsterdam and Wonderwoods in Utrecht, and with Cruquiuswerf in Amsterdam being valued at just above € 50m, as at the end of 2024. The figure below states the percentage per asset value class, while the numbers shown represent the number of properties in each asset value class.

Figure 16 Property values as at 31 December 2024



Additions

The construction of four forward acquisitions were completed and transferred to the Fund in the second half of 2024.

Table 7 Additions in 2024

Property	City	Region	Number of apartments	Number of single-family houses	Number of parking spaces
Ravelijn	Diemen	Amsterdam	51	-	23
Ridderhof	Wassenaar	The Hague	44	-	-
Ottho	Amsterdam	Amsterdam	327	-	86
Wonderwoods	Utrecht	Utrecht	248	-	-
Total additions			**670**	**-**	**109**

Ravelijn in Diemen

This project was completed in September 2024 and consists of 51 apartments and 20 parking spaces. Ravelijn is situated next to the Watergraafsmeer district in Amsterdam, which is fifteen minutes from the city centre of Amsterdam by bicycle or public transport. Ten apartments in this development are 'friends apartments': available for two friends renting together. These apartments have a living room and a kitchen, two bedrooms and two bathrooms. They range in size from 67 sq.m. to 80 sq.m. The other 41 apartments, which vary in size from studios to three-bedroom apartments, range in size from 50 to 89 sq.m. Rents range from € 1,215 to € 1,765, with an average rent of € 1,478 per month (parking excluded).

Ridderhof in Wassenaar

Project Ridderhof in Wassenaar was completed in July and October 2024 and is located in the south-western part of Wassenaar, a green area close to the centre. Wassenaar is an attractive town due to its central location in the Randstad conurbation (nestled between The Hague and Leiden) and its vicinity to the coast and natural areas. The Ridderhof development concerns four buildings, of which the Fund acquired two buildings, comprising a total of 44 rental apartments. The apartments are one- and two-bedroom apartments, with total sizes ranging from 73 to 90 sq.m. and an average size of 83 sq.m. All apartments have a balcony or terrace, as well as a separate storage area on the ground floor. Monthly rents range from € 1,245 to € 1,410, with an average rent of € 1,362 (parking excluded). The main target group for these apartments are seniors. This group is expected to grow further over the coming years.

Ottho in Amsterdam

Project Ottho in Amsterdam was completed in September, October and December 2024 and is located in the Nieuw-West residential district, which is just outside the western ring road of Amsterdam. Vondelpark and the Amsterdam city centre are relatively close-by and accessibility by car and public transport is excellent, as the asset is situated right by the ring road and a metro station. The Fund acquired three apartment buildings, comprising a total of 327 apartments and 850 sq.m. of commercial space, as well as a parking garage with a total of 86 parking spaces. The apartments vary in size from studios to two-bedroom apartments, with total sizes ranging from 38 to 88 sq.m.; the average size is 55 sq.m. Monthly rents range from € 875 to € 2,015, with an average rent of € 1,293 (parking excluded). About 76% (250) of the apartments are rented out in the affordable segment, with monthly rents of up to € 1,350.

Wonderwoods in Utrecht

Project Wonderwoods was completed in October and December 2024 and is located in the city centre of Utrecht, right across from Utrecht central station. There is a strong focus on sustainability, with the main feature of Wonderwoods being an extensive use of plants and trees on the property's roofs and facades. The Fund acquired 248 rental apartments, a gym and a restaurant. The gym and restaurant are inside the actual property and their acquisition means that the Fund will have more control over its commercial tenants. In addition, Wonderwoods boasts a mixture of commercial space, offices and owner-occupied apartments. The latter were not acquired by the Fund. Part of the concept of Wonderwoods is a mobility plan, which is why the project offers relatively few parking spaces. The concept is focused on car-sharing and public transport facilities and, for this reason, the Fund did not acquire any parking spaces. The apartments vary in size from studios to five-bedroom apartments, with total sizes ranging from 49 to 154 sq.m.; the average size is 74 sq.m. Monthly rents range from € 1,028 to € 2,910, with an average rent of € 1,502 (parking excluded).

Sales

A part of the Fund's portfolio was designated for investment sale (in line with the Fund's Three-Year Business Plan). However, some assets were earmarked for individual unit sales, which means that when tenants vacate a residential unit designated for individual unit sale, this unit will be sold to individuals in the owner-occupied market.

On 27 March 2024, the Fund sold two of its properties in Amsterdam, Nachtwachtlaan and Europapoort for a total of € 57m, which was on average 2.8% below the Q4 2023 appraisal value. On 11 December, the Fund sold a portfolio of seven assets in Nieuwegein, Zeist, Leusden, Eindhoven, Alphen a/d Rijn, Breda and Haren for a total of € 49.1m and a sales result of 5.3% or € 2.5m above the total Q3 2024 appraisal value.

In addition, as part of the existing individual unit sales strategy, three residential units were transferred in 2024. The total proceeds for these individual unit sales amounted to € 1.6m, which was 62.0% or € 629k above the total appraisal values. The relatively high result on individual unit sales can be explained mainly by the difference in vacant possession values (which have been increasing again since the third quarter of 2023) and the investment values (which have been increasing as well but are still well below the vacant possession values.

Table 8 Sales in 2024

Property	City	Proceeds from sales (€ '000)	Fair value (€ '000)	Result on sales (€ '000)	Investment/ individual unit sale	Number of single-family houses	Number of apartments	Number of parking spaces
Europapoort	Amsterdam	737	479	258	Individual	-	1	-
Europapoort	Amsterdam	30,637	30,943	(306)	Investment	-	81	13
Nachtwachtlaan	Amsterdam	26,405	27,737	(1,332)	Investment	-	93	93
Frankendaal	Eindhoven	453	279	174	Individual	1	-	-
Dotterbloemstraat	Nieuwegein	453	256	197	Individual	1	-	-
Nijenheim	Zeist	8,254	7,840	414	Investment	26	-	-
Claverenbladstraat	Leusden	3,173	3,015	158	Investment	12	-	-
Frankendaal	Eindhoven	3,768	3,580	188	Investment	13	-	-
Dotterbloemstraat	Nieuwegein	11,517	10,940	577	Investment	42	-	-
Kerkstraat	Alphen a/d Rijn	10,175	9,670	505	Investment	-	40	-
Ambachtenlaan	Breda	7,600	7,220	380	Investment	27	-	1
Ereprijsweg	Haren	4,642	4,410	232	Investment	18	-	-
Total sales 2024		**107,814**	**106,369**	**1,445**	**-**	**140**	**215**	**107**

Commitments (off-balance sheet)

The Fund had four forward acquisitions with an original commitment of € 175.2m, as at 31 December 2024. € 42.8m of this total commitment concerns settled term payments. The off-balance sheet commitment for forward acquisitions therefore amounts to € 132.3m. The settled term payments and changes in fair value of forward acquisitions amounted to € 45.2m of assets under construction, as at 31 December 2024.

All current commitments are discussed in more detail in the table and text below.

Table 9 Commitments (off-balance sheet) as at 31 December 2024

Property	City	Region	Type	Expected year of completion	Number of apartments	Number of parking spaces	Commercial space (sq.m.)	Original commitment (€ '000)	Under construction (€ '000)	Off-balance sheet commitment (€ '000)
Het Diepe	Capelle a/d IJssel	Rotterdam	Turnkey project	2025	45	54	-	15,050	11,997	3,053
Hero	Breda	Breda	Turnkey project	2026	102	-	-	30,825	14,450	16,375
Edge	Eindhoven	Eindhoven	Turnkey project	2026	175	52	236	58,614	16,399	42,215
The Modernist	Rotterdam	Rotterdam	Turnkey project	2028	167	45	-	70,700	-	70,700
Change in fair value of forward acquisitions									**2,316**	
Total forward acquisitions					**489**	**151**	**236**	**175,189**	**45,162**	**132,343**

Het Diepe in Capelle aan den IJssel
Het Diepe in Capelle aan den IJssel is a development on the grounds of a former swimming pool, which is located at the edge of the city centre. A total of four apartment buildings are being developed around a green park landscape which is built on the roof of a parking facility. There is also a bicycle parking facility with 174 bicycle spaces available for tenants. The Fund's commitment comprises 45 rental apartments and 54 parking spaces. The two- and three-bedroom apartments have an average size of 68 sq.m. and 77 sq.m. respectively. Monthly rents for the apartments are expected to range from € 1,150 to € 1,375, with an average rent of € 1,305 (rents upon completion, parking included).

Hero in Breda
Hero in Breda is a development on the site of a former factory of Swiss company Hero (a producer of sodas and jam). A total of 420 residential units will be realised on this site, which is located close to Breda's city centre with its train station and other facilities like shops and restaurants. The Fund's commitment comprises 102 rental apartments, with two- and three-bedroom apartments that range in size from 49 to 66 sq.m. Monthly rents for the apartments will range from € 960 to € 1,265, with an average rent of € 1,195 (rents upon completion, parking included).

Edge in Eindhoven
The Edge development in Eindhoven is centrally located, between the main train station and the city centre. A largescale transformation (Eindhoven Internationale Knoop XL) is planned for this area, which includes an upgrade and the addition of commercial and residential functions. The Fund's commitment comprises 175 rental apartments, 52 parking spaces and 236 sq.m. of commercial space. The two- and three-bedroom apartments range in size from 45 to 82 sq.m. In addition, there are some three- and four-bedroom maisonettes that range in size from 74 to 133 sq.m. Monthly rents for the apartments are expected to range from € 850 to € 1,650, with an average rent of € 1,240 (rents upon completion, parking included).

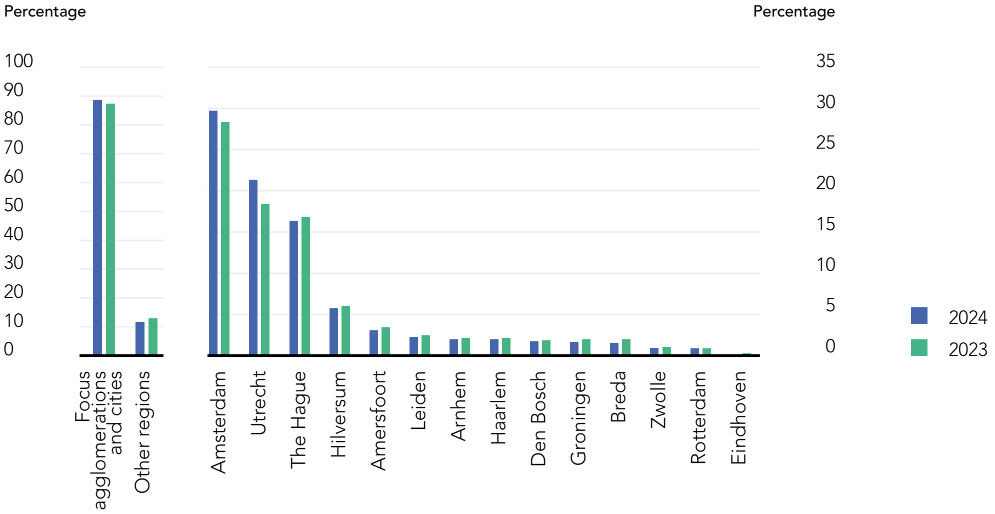
The Modernist in Rotterdam
The Modernist in Rotterdam is situated in a prime location within the Rotterdam Station District, on the central side of Rotterdam Central Station. The total development of The Modernist consists of 421 apartments divided between two separate buildings, and a six-storey commercial fundament which includes both office and retail space. The Fund's commitment comprises 167 apartments in the South Tower of The Modernist, 424 bicycle parking spaces, and 45 parking subscriptions. The 167 rental apartments consist of two-, three-, and four-bedroom apartments that range in size from 61 to 83 sq.m. on average. Of the 167 apartments, 50 apartments are to be rented out at mid-priced market rents (in line with regulation of the city of Rotterdam). Monthly rents for the apartments are expected to range from € 1,400 to € 2,200, with an average rent of € 1,795 (rents upon completion, parking included).

Portfolio analysis

Regional focus

Amsterdam and Utrecht are the most dominant focus agglomerations in the portfolio, accounting for approximately 51.0% of the portfolio's total fair value. This is also reflected in the overview of the ten largest assets, with only The Roofs in The Hague and The Minister in Rijswijk located outside the Amsterdam and Utrecht agglomerations. In addition to Amsterdam and Utrecht, the portfolio is well-represented in the Randstad conurbation and other demographically and economically strong cities and agglomerations, such as Hilversum, Amersfoort and The Hague. The portfolio strategy actively targets these residential markets with above-average market prospects. The exposure to Amsterdam showed an increase due to the completion of Ottho and Ravelijn, the effect of which outweighs the sale of Nachtwachtlaan and Europapoort. In Utrecht, a significant increase was visible due to the completion of Wonderwoods, which was added to the portfolio during the fourth quarter of 2024. Most of the other regions show a slight decrease as a result of the increase in the Amsterdam and Utrecht regions. The exposure to Eindhoven decreased to nil as a result of the sale of the Frankendaal asset in December 2024.

Figure 17 Geographical spread as at 31 December 2024



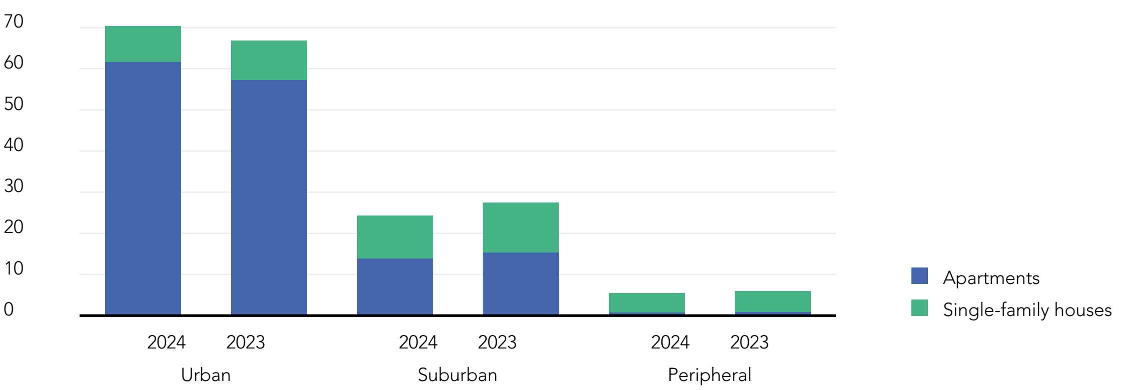
Residential market segmentation

The Fund has identified three housing market segments, based on a combination of target group and location type:

- Urban living: Young professionals, families and empty-nesters who prefer living in large cities and metropolitan areas with a population exceeding 100,000 residents;
- Suburban living: Families who prefer living in suburban residential areas and medium-sized cities with a population of between 25,000 and 100,000 residents; and
- Peripheral living: Families who prefer living in villages and small towns with a population below 50,000 residents.

The emphasis of the portfolio strategy is to invest in residential real estate that meets the criteria of urban living. Investments in suburban living environments are also deemed interesting, but these investments should predominantly aim for families, empty-nesters and seniors as their target group. Investing in peripheral living environments is not a primary focus of the portfolio strategy. The portfolio is currently well-represented in the urban and suburban living segments. As a result of completed forward acquisitions, mainly in the Amsterdam and Utrecht regions, the percentage of urban living units has increased by 3.6%. The percentage of multifamily assets has also increased with 3.0%, mainly due to the addition of new apartment assets and the sale of some single family assets.

Figure 18 Market segmentation as at 31 December 2024

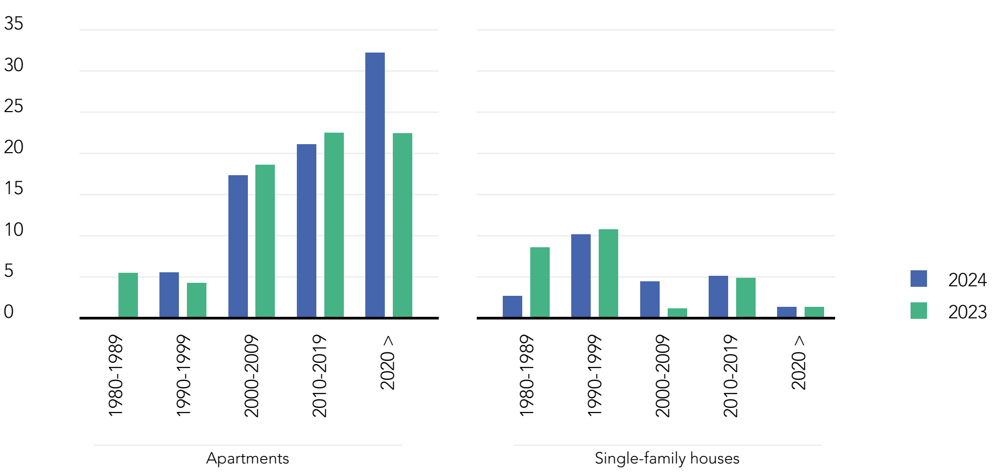


Property age

The Fund is continuously investing in the portfolio. This is to improve the portfolio's quality and expected long-term returns, while building a sustainable investment portfolio through renovation strategies and the acquisition and sales policy. As a result of the sale of some older assets and the addition of completed developments during 2024, the average property age in the portfolio decreased substantially. The average weighted property age of the portfolio stood at 12.7 years as at 31 December 2024, compared with 16.5 years in 2023.

Property age is measured from the original construction year, and adjusted for renovations and investments. In cooperation with external advisors, the NEN 2767 guidelines are used to rate the property's technical qualities and assess the technical age of the different parts of a property (e.g. the foundation, casco and installations). Technical age is a good indication of the property's lifespan and expected maintenance costs. The average property age of the portfolio, based on original year of construction, was 18.0 years as at 31 December 2024 (2023: 21.5).

Figure 19 Age classes as at 31 December 2024

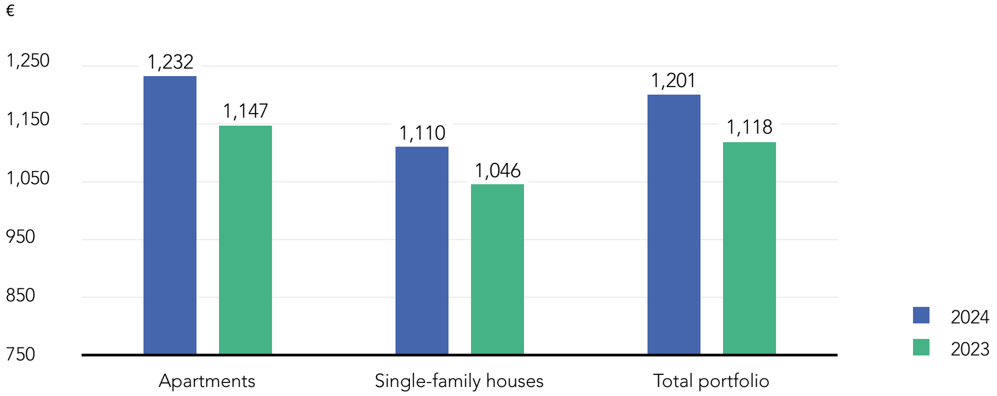


Average monthly rent

The portfolio strategy is aimed at residential investments in affordable housing. Affordable housing refers to residential homes with rents which are deemed to be affordable for households with a median income. Given this definition, rents up to €1,350 were considered affordable by the Fund until 2024 (€1,425 from 1 January 2025). Properties with average monthly rents up to the affordable rent threshold are therefore favoured by the Fund in the long term. As at 31 December 2024, 4,756 residential units (out of a total of 6,096) or 78.0% are rented out at an affordable price of below € 1,350 per month.

The average monthly rent of a residential unit in the portfolio was € 1,201, as at 31 December 2024. The average for single-family homes was € 1,110. The portfolio's apartments were let at a higher average rent (€ 1,232), as at 31 December 2024. This difference in rental level is due to aspects such as location and property age, as well as property type.

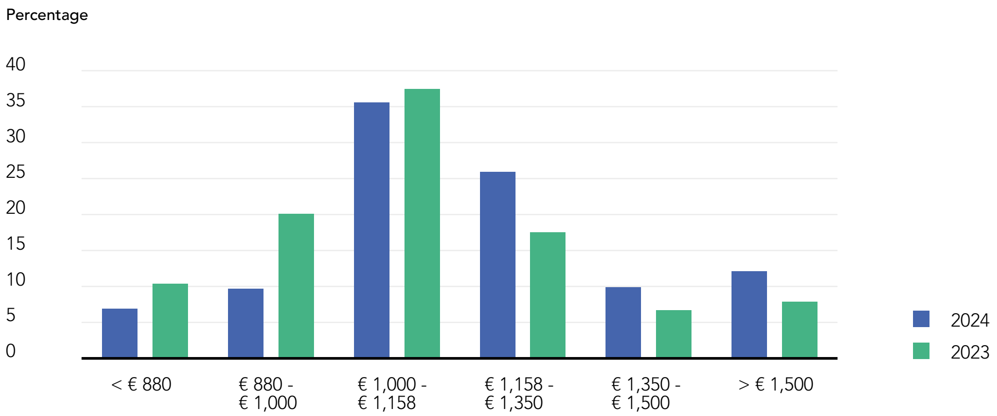
Figure 20 Average monthly rent per market segment as at 31 December 2024



Rental prices showed an overall increase, mainly due to the completion of forward acquisitions and (annual) rent increases for the portfolio in 2024, as well as the sale of some assets with lower average rents. For the majority of assets in the portfolio, rents were increased as of 1 July 2024. Although some rents for regulated rental units were capped, rents were increased for approximately 90% of the portfolio's residential units during the year and 83% of rents were increased in July 2024. The average rent increase in July for these units amounted to 3.3% (2023: 3.3%). Like-for-like theoretical rental growth for the entire portfolio amounted to 4.7% in 2024 (2023: 4.0%).

The share of residential units with monthly rents below € 1,158 decreased from 67.9% in 2023 to 52.1% in 2024, as a result of regular rent increases as well as the sale of various assets and completion of forward acquisitions. The percentage of rents exceeding € 1,350 increased from 14.6% in 2023 to 22.0% in 2024. Approximately 56.9% of all residential units with monthly rents above € 1,350 are located in the Amsterdam agglomeration, where demand is relatively strong and higher market rents can be achieved.

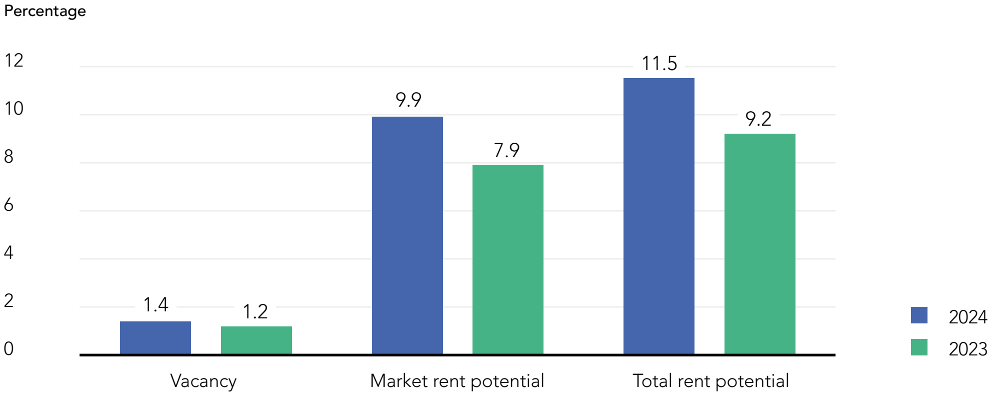
Figure 21 Rental price composition as at 31 December 2024



Rent potential

Rent potential is calculated by deducting the annual rental income from the total annual market rent and then dividing it by the total annual rental income. The rental income of the portfolio can be increased by reducing vacancy, as well as by bringing current rents up to market rent through annual rent increases and at tenant turnover. Please note: the calculation is for the residential units only and does not include parking places and commercial units. The total market rent potential of the portfolio's residential units is an average of 11.5% (2023: 9.2%). The average vacancy rate in the portfolio's residential units increased slightly to 1.4% in 2024 (2023: 1.2%).

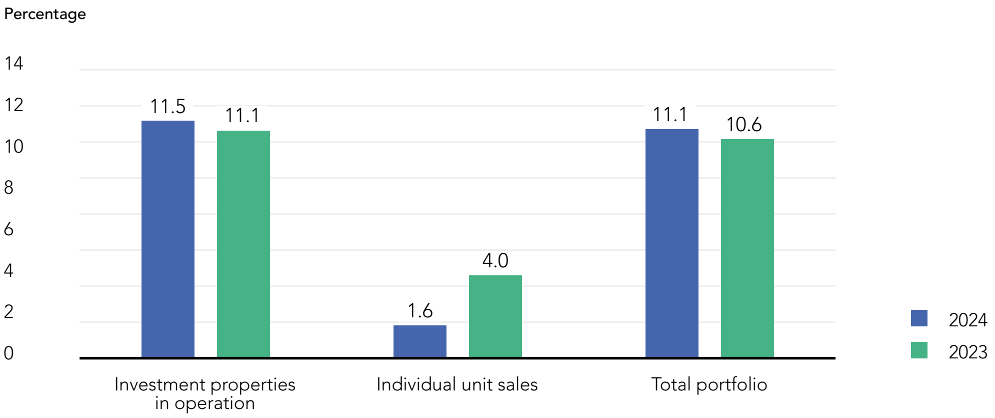
Figure 22 Vacancy and market rent potential as at 31 December 2024



Turnover rate

The portfolio's turnover rate is defined as the number of residential contract terminations within a period, expressed as a percentage of the average number of residential units during that period. Total portfolio turnover rates amounted to 11.1% on average in 2024, which is slightly higher compared to 2023 (10.6%). The turnover rate for properties that are designated for individual unit sales are quite low compared to 2023, as a result of the investment sales of properties that were designated for individual unit sales. This number is also significantly below those of investment properties in operation.

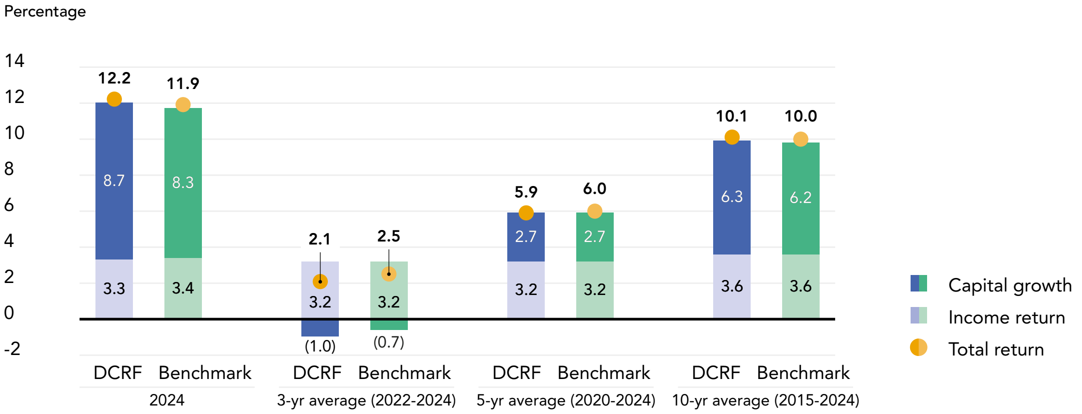
Figure 23 Average turnover rates



Performance of the Fund's portfolio versus MSCI Netherlands Residential Annual Property Index

Regarding total returns of the standing investments, the Fund showed an outperformance in 2024 (12.2% versus 11.9%). The Fund underperformed on a 3-years average (2.1% versus 2.5%) and 5-years average (5.9% versus 6.0%). On a 10-years comparison, the Fund showed an outperformance compared to the benchmark (10.1% versus 10.0%). Returns on standing investments level exclude the effect of acquisitions, investments and sales.

Figure 24 Performance figures ASR DCRF versus MSCI Dutch residential benchmark (standing investments)



Looking at the capital growth for standing investments, the Fund outperformed the benchmark by 40 bps (8.7% versus 8.3%). Capital growth can be determined by changes in gross reversionary yield and market rental value growth. The gross reversionary yield declined with 3 bps for the Fund's portfolio, versus a decline of 11 bps in 2024 for the benchmark. However, this effect was smaller than the average market rental value growth effect, which as at year end, was higher for the Fund's portfolio (9.1%) compared with the benchmark (7.3%).

The Fund's income return was slightly lower compared to the benchmark (3.3% versus 3.4%). One of the main causes for this difference, is that the dividend received from the Fund's participation in Grotiusplaats is not included in the income return as calculated by MSCI, as this is received on Fund level, not on portfolio level. Furthermore, the Fund had a slighty lower net operating income per sq.m. compared to the benchmark. As described in the financial performance paragraph, the Fund incurred some exceptional expenses in 2024, combined with a relatively low number of individual unit sales.

Regarding the Fund's performance on an all benchmarked assets level, which includes the assets under contruction, the Fund showed an underperformance against the benchmark with 60 bps (total return of 11.1% vs. 11.7%). However, figures for this all benchmarked asset level are currently not comparable, as the treatment of development projects differs between participants of the MSCI benchmark. Some participants value these development projects on a gross basis ('value v.o.n.'), while others do this on a net basis ('value k.k.'). Also, the manner in which investments which are still to be made, are corrected, is different for most participants.

Realised and unrealised gains and losses

All properties were externally valued during 2024 by either CBRE, Dynamis or Capital Value. Every quarter, 25% of the valuations concern full valuations, whereas 75% concern desktop review valuations.

As a result of positive revaluations, the value of the portfolio increased by 7.8% or € 154.7m in 2024. This includes the revaluation of the Fund's participations in Grotiusplaats Den Haag C.V. and Grotiusplaats Den Haag Beheer B.V., the value of which increased by 5.0% or € 5.4m.

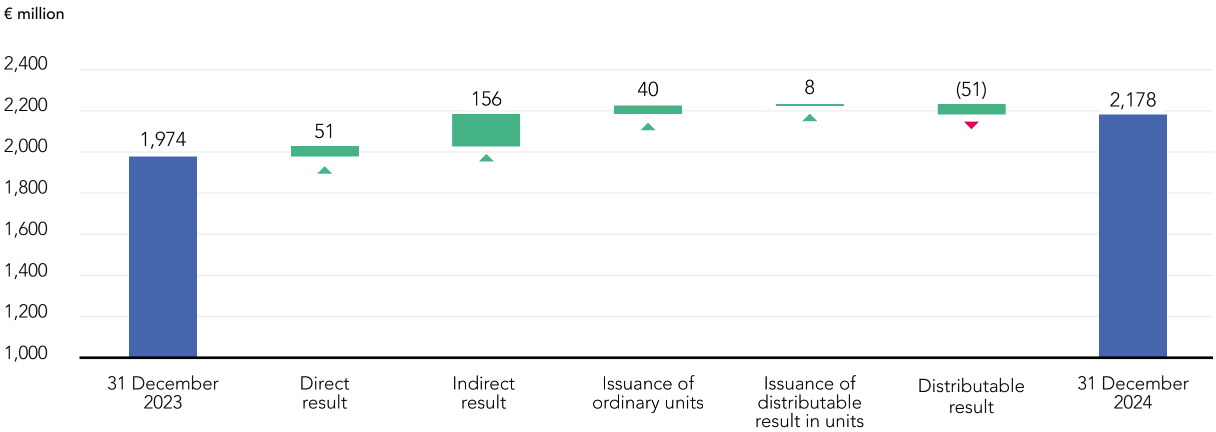
The combination of strong rental value growth and a slowly decreasing yield shift are indicators of positive revaluations and capital growth as seen during the course of 2024. The overall capital growth figures apply to a wide range of properties in the portfolio.

Capital

Changes in capital

Total capital amounted to € 2,178m as at 31 December 2024, compared with € 1,974m as at 31 December 2023. The capital increase was mainly a result of the positive direct and indirect returns and the issuance of the distributable result in units, and it was offset by the distributable result for the fourth quarter of 2024. During 2024, the Fund had seven closings. In total, € 130.6m of the capital was issued and € 90.6m of the capital was repaid. A total of € 8.4m relating to the distributable result in units was issued. As at 31 December 2024, capital was spread across 1,544,972 units, resulting in an IFRS NAV of € 1,410 per unit. Changes in capital are described in detail in the figure below.

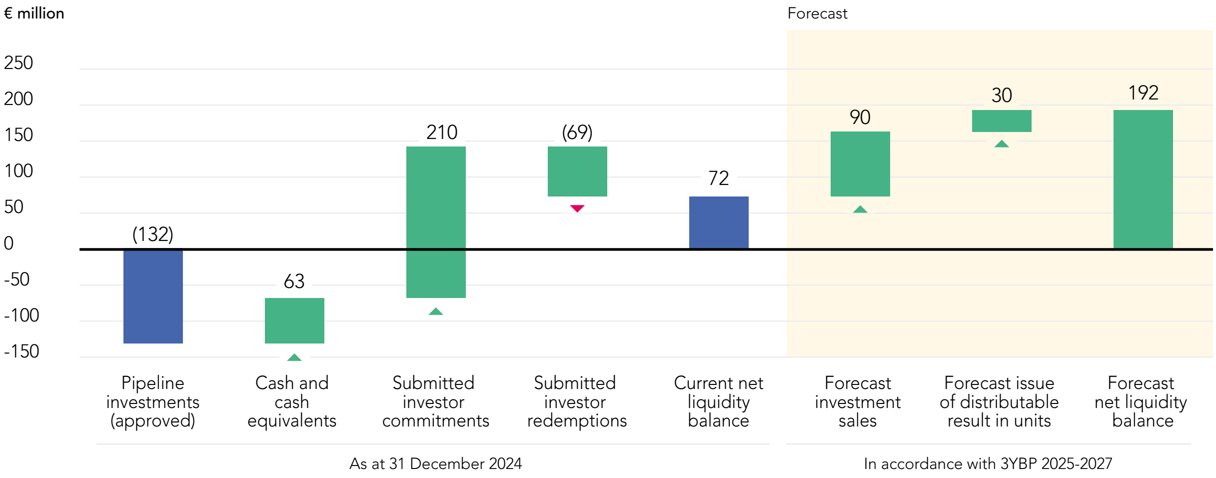
Figure 25 Movements in capital



Liquidity management

The total off-balance sheet commitments relating to the (approved) forward acquisitions and participations amounted to € 132m, as at 31 December 2024. This commitment is distributed well across time up to 2028 and will be funded mainly through the current cash balance and investor commitments. With the revenues from the portfolio sale and a capital call of € 40m as at 2 January 2025, the full amount of investor redemptions was facilitated, resulting in a current net liquidity surplus of € 72m, as at 31 December 2024. Taking into account the estimated further investment sales and forecast of distributable result in units, this will accumulate into a total forecast net liquidity balance of € 192m. While new investor commitments and/or loans are not included in this overview, they could be used to fund the net liquidity requirement. However, the Fund intends to remain a full-equity fund and does not expect to take on any leverage in the short to medium term.

Figure 26 Net liquidity balance as at 31 December 2024



Environmental, Social and Governance (**ESG**)

The Fund has developed a strategic ESG policy, which has been translated into objectives as set out in its Three Year Business Plan 2024-2026. These objectives relate to ESG: Environmental, Social and Governance. The Environmental and Social themes both have their own strategic objectives. For the Governance theme a checklist applies.

Table 10 Strategic objectives 2024

Strategic objectives	Target 2024	Realised 2024
Environmental		
Energy intensity (kWh / sq.m. / year)	≤ 101	In progress[1]
GHG Intensity (kg CO_2 / sq.m. / year)	≤ 17	In progress[1]
On-site renewable energy (installed kWp)	≥ 5,100	5,272
Coverage of A & B labels (% of the portfolio)	≥ 85%	93%
Climate change adaptation plans (% of properties with a (very) high risk profile)	100% prepared	Assets and actions identified
Enhance local biodiversity	Implement framework	Implementation started
Social		
Community & tenants		
Tenant satisfaction rating (score out of 10)	≥ 7.0	7.1
Senior housing (# of dwellings, rented out with priority to seniors)	≥ 500	520
Addition of affordable dwellings (#)	≥ 450	346
AED coverage (% of the portfolio)	≥ 99%	99%
Our employees		
Employee satisfaction rating (eMood® score)	≥ 7.5 / 10	7.8
Personal development		
- Training (% of annual salaries)	≥ 1.0%	1.0%
- Sustainable employability (% of annual salaries)	≥ 1.0%	1.0%
Health & well-being (eMood® vitality score)	≥ 7.5	7.5
Diversity, equity & inclusion	Execute policy	Ongoing
Governance	Compliant	
Sound business practices	✓	✓
Alignment with sustainability guidelines	✓	✓
- SDGs	✓	✓
- GRESB	★★★★★	★★★★★

1 Results will be published in the ESG Annual Report 2024.

Environmental

Energy intensity and GHG intensity

The Fund dedicated itself to achieving a net zero portfolio in 2045. In order to achieve this objective, the Fund drew up a Paris Proof roadmap using the CRREM pathways. The Paris Proof roadmap is based on the current energy intensity and reduction measures at the level of the individual assets.
The Fund is on target to reach a net zero portfolio by 2045 at the latest. In the coming years, the Fund will continue to execute asset-level carbon reduction strategies and will refine the Paris Proof roadmap with annual consumption data and evolving insights.

In 2024, the Fund expanded its capacity to accelerate the execution of the asset-level reduction plans, ensuring an energy intensity reduction pathway in line with the CRREM target pathway. The Fund also integrated the financial planning of the Paris Proof roadmap in the Three Year Business Plan in 2024.

The 2024 figures for the energy intensity and GHG intensity are not yet available. The energy Intensity and GHG intensity figures will be published in the ESG annual report, which is expected to be published in May 2025.

On-site renewable energy

The Fund aims to implement renewable energy solutions where feasible. PV panels are the most suitable solution for the Fund's portfolio. A significant part of the single-family houses in the portfolio has already been provided with PV panels. The Fund eventually aims to install PV panels on all single-family houses and, if possible, on all apartment buildings.

The Fund's objective for 2024 was to install on-site renewable energy solutions of at least 5,100 kWp. At the end of 2024, the total power in wattage installed in the Fund's portfolio was 5,272 kWp, which means the Fund exceeded its target figure of 5,100 kWp. The Fund achieved this by carrying out three types of projects:

1. Completion of the following new-build assets in the portfolio, all equipped with PV panels:
   - Ridderhof in Wassenaar, with a capacity of 30 kWp
   - Ottho in Amsterdam, resulting in the addition of 182 kWp
   - Ravelijn in Diemen, equivalent to 33 kWp
   - Wonderwoods in Utrecht (approximately 300 kWp)
2. The continued expansion of the PV panel project in single-family houses, in collaboration with Zonneplan, generating 176 kWp.
3. The installation of PV panels on the apartment blocks on the Eosstraat in Amsterdam, in cooperation with the owners' association, resulting in an additional 96 kWp.

In 2024, the Fund sold six assets equipped with PV panels, leading to an extraction of 353 kWp.

On-site renewable energy
(installed kWp)

Objective
≥ 5,100

Realisation
5,272

Coverage of A & B labels

The Fund strives for a portfolio made up entirely of sustainable dwellings. In the long term, the portfolio will no longer include any dwellings with a low energy label. Only dwellings with an energy label of B or better will be included in the portfolio.

For 2024, the objective was to achieve at least 85% coverage of B or better labels. With the realisation of 93% coverage, this objective has more than been met.

The share of assets with A & B labels took a major leap forward in 2024. The main reasons were:

- A large portion of the energy labels in the portfolio were updated.
- 670 new and sustainable apartments with an A label or better were added to the portfolio.
- 179 less sustainable dwellings were sold off.

Altogether, this resulted in the substantial growth of the share of assets with A & B labels to 93%.

Coverage of A & B labels
(% of the portfolio)

Objective
≥ 85%

Realisation
93%

Climate change adaptation plans

The Fund conducted a comprehensive climate risk assessment for all properties in its portfolio based on the Framework for Climate Adaptive Buildings (FCAB). This assessment identifies vulnerabilities to climate-related impacts, including four major climate risks: heat, drought, flooding and extreme weather.

The outcome of the assessment is used to identify the assets that are exposed to high physical climate risk.

The Fund identified 13 assets with one or more high physical climate risks, for which an in-depth analysis ('deep dive') is carried out.
The in-depth analyses identifies physical and non-physical solutions ('adaptation solutions') that can reduce the identified physical risks.

Climate change adaptation plans
(% of properties with a (very) high risk profile

Objective
100% prepared

Realisation
Assets and actions identified

Enhance local biodiversity

The Fund drew up a biodiversity framework in collaboration with an external ecologist. This framework is integrated into day-to-day operations, ensuring that biodiversity is considered in relevant aspects of asset and property management. The framework provides guidelines to increase the share of vegetated area and capitalise on nature-related opportunities.

The Fund identified 'land artificialisation' as a quantitative metric to gain additional insight into the share of non-vegetated surface area, compared to the total surface area of all assets. A baseline analysis has been conducted in 2024 and resulted in an estimated percentage of approximately 71% of non-vegetated surface area within the portfolio. The insights obtained from this analysis are used to formulate a strategic plan and to identify promising assets to enhance the potential ecological value in the portfolio.

Enhance local biodiversity

Objective
Implement framework

Realisation
Implementation started

Social

Community & Tenants

Tenant satisfaction rating

The Fund conducts a tenant satisfaction survey every year. The survey includes questions regarding sustainability and the services provided by the Fund. Tenants also assess the property, the surrounding area and the handling of repair requests and complaints. The Fund aims to score at least a 7.0 out of 10 and to outperform the benchmark on tenant satisfaction.

The Fund was given an average score of 7.1, which was slightly above the objective. The Fund's score was slightly lower than the benchmark score (7.2). The average score was composed of three elements:

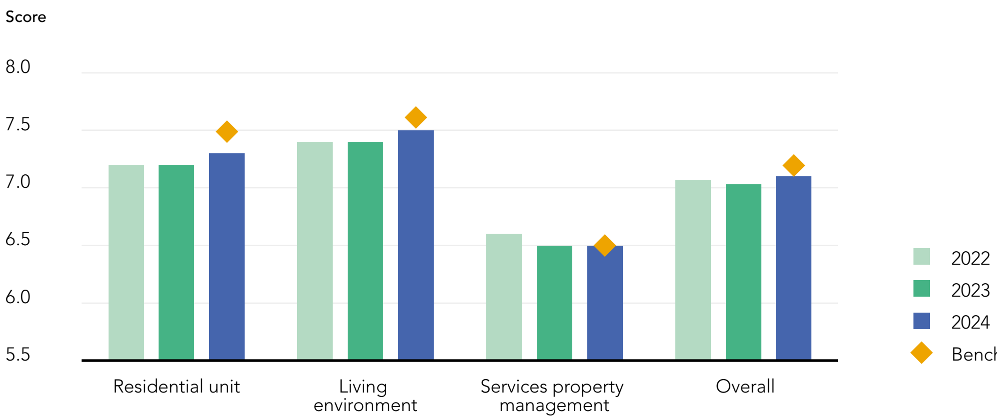
- Tenant satisfaction with the residential unit scored 7.3, exceeding the target figure.
- Tenant satisfaction with the living environment scored 7.5, exceeding the target figure.
- Tenant satisfaction with the service provided by the Property Management team scored 6.5, which is in line with the benchmark score.

Tenant satisfaction rating
(score out of 10)

Objective
≥ 7.0

Realisation
7.1

Figure 27 Tenant satisfaction scores for ASR DCRF as at 31 December 2024



The scores for a.s.r. real estate as service property manager were similar to 2023. The scores for the residential unit and living environment show a slight increase compared to 2023. Just as in 2023, about 35% of the Fund's tenants participated in this year's survey.

Senior housing

Seniors (age 55 and over) are one of the main target groups served by the Fund. Until 2040 this target group will continue to grow significantly in the Netherlands. Seniors have specific housing requirements, such as demand for a single-storey apartment, the presence of an elevator, the proximity of facilities in the area and the possibility to meet other tenants in communal spaces. The Fund strives to make its portfolio more attractive for seniors. In its rental policy the Fund has assigned several apartment blocks to be rented out with priority to senior tenants.

By the end of 2024, the total number of dwellings in the Fund's portfolio that were allocated to be rented out with priority for senior tenants was 520. This exceeded the target figure of 500 and were as follows:

- Mariënpark in Leidschendam (36 dwellings assigned to be rented out with priority for seniors)
- Futura in Zoetermeer (69 dwellings)
- Van Reeslaan in Nieuwegein (40 dwellings)
- Lapis Lazuli in Heerhugowaard (50 dwellings)
- Hagendonk in Prinsenbeek (25 dwellings)
- Willem van Oranjelaan in Breda (40 dwellings)

Senior housing
(# of dwellings, rented out with priority to seniors)

Objective
≥ 500

Realisation
520

- Eosstraat in Amsterdam (30 dwellings)
- Ottho in Amsterdam (28 dwellings)
- Ravelijn in Diemen (41 dwellings)
- Ridderhof in Wassenaar (44 dwellings)
- The Minister in Rijswijk ZH (70 dwellings)

In the newly completed projects, Wonderwoods in Utrecht and Ottho in Amsterdam, the Fund did give priority to senior tenants, but there was limited interest from this target group. Less than 10% of the tenants in these assets belong to the 'senior' target group. By contrast, for the newly completed project Ridderhof in Wassenaar, 80% of the tenants is aged 55 and over and even 100% of the tenants is aged 50 and over.

For future rentals in Ridderhof in Wassenaar (all 44 dwellings), Ravelijn in Diemen (41 out of 51 dwellings), and Ottho, Amsterdam (28 out of 215 dwellings), priority will be structurally given to senior tenants. For Wonderwoods, Utrecht, priority for seniors is being considered.

Addition of affordable dwellings

Affordable housing is one of the basic human needs and remains an urgent topic in the Dutch residential market, given the lack of affordable dwellings. Affordable housing refers to residential dwellings with rents which are deemed to be affordable for households with a median income. Given this definition, rents up to € 1,350 per month are deemed affordable by the Fund. The Fund continuously expands its portfolio with dwellings in the affordable segment and takes affordability into account in its rental policy.

In 2024, 670 new dwellings were delivered to the Fund. Of these, 346 dwellings had rents below the upper limit of € 1,350 and were deemed affordable:

- 250 affordable dwellings in Ottho, Amsterdam (out of 327 dwellings)
- 79 affordable dwellings in Wonderwoods, Utrecht (out of 248 dwellings)
- 10 affordable dwellings in Ridderhof, Wassenaar (out of 44 dwellings)
- 7 affordable dwellings in Ravelijn, Diemen (out of 44, excluding the 10 Friends dwellings)

Market rents increased more than expected in 2024. While seeking the right balance between optimising returns and adding affordable dwellings to the portfolio, the Fund delivered a large number of affordable dwellings (346), but didn't meet the original objective of 450 dwellings.

Addition of affordable dwellings
(#)

Objective
≥ 450

Realisation
346

AED coverage

a.s.r. real estate is a partner of the Dutch Heart Foundation ('Nederlandse Hartstichting'), an organisation that invests in research and innovation in the field of the prevention and care of cardiovascular health. The chances of surviving a heart attack are considerably higher if resuscitation takes place within six minutes. The national automated external defibrillators (AED) network therefore strives to make AEDs available within a six-minute radius. The Fund has aligned its objective with this aim and strives to have AEDs within this six-minute radius for all the assets in its portfolio.

At the end of 2024, only the asset in Bennekom (41 dwellings) did not yet meet the six-minute radius requirement. The AED coverage of the portfolio is now over 99%, meeting the objective set for 2024.

AED coverage
(% of the portfolio)

Objective
≥ 99%

Realisation
99

Our employees

Employee satisfaction rating

A weekly survey is conducted amongst a.s.r. employees: the Employee Mood Monitor (eMood®). This in-house developed tool aims to provide up-to-date information on the well-being and connectedness of employees. In 2024, the overall score of a.s.r. real estate was 7.8, surpassing the target of 7.5.

Employee satisfaction rating
(eMood® score)

Objective
≥ 7.5

Realisation
7.8

Personal development

The main focus of the human resource management policy is personal development of a.s.r. employees in terms of professional expertise, competences and skills. In 2024, a.s.r. real estate spent 1.0% of annual salaries on employees' learning and development. The result equals the target of 1.0% of annual salaries.

Additionally, 1.0% of annual salaries is devoted to sustainable employability. A dedicated human resources team provides guidance for employees who wish to develop their talents, move to another position (sustainable employability) or leave. Actual expenditures are estimated at 1.0% of annual salaries.

Training
(% of annual salaries)

Objective
≥ 1.0%

Realisation
1.0%

Health & well-being

Prioritising health and well-being and avoiding stress in the workplace is an important issue. The weekly eMood® survey provides specific insights into the vitality of a.s.r. real estate employees. In 2024, the vitality score of a.s.r. real estate was 7.5, which equals the target of 7.5. Based on the outcomes, targeted actions are taken to improve the vitality of employees.

Health and well-being
(eMood® vitality score)

Objective
≥ 7.5

Realisation
7.5

Diversity, equity & inclusion

Differences make organisations stronger and better, which is why a.s.r. stands for equal opportunities. Different perspectives, backgrounds, knowledge and experiences contribute to the objectives of a.s.r. and are positively utilised and deployed within innovative, sustainable solutions for our tenants and investors.

a.s.r. annually carries out an organisational Denison survey. In 2024, the diversity and inclusion score was 70. This was an improvement compared to the 2023 score (44). The focus is on fair and equal chances for all and providing opportunities to learn about diversity and inclusion.

Diversity, equity & inclusion

Objective
Execute policy

Realisation
Ongoing

Governance

Sound business practices

For a.s.r. real estate, it goes without saying that ESG can only be fully embedded through sound and transparent business practices. Important principles of the governance at a.s.r. real estate are (amongst other things) its Integrity & Compliance regulation, Risk Management, Code of Conduct, Privacy Policy, Customer Due Diligence policy and Whistleblowing procedures. Furthermore, a.s.r. real estate has been licensed under the AIFMD by the Dutch Authority for the Financial Markets (AFM) since 2015 as a provider of financial services in the field of collective and individual asset management.

Compliant with SFDR and EU Taxonomy

The Fund adheres to the EU Sustainable Finance Disclosure Regulation (SFDR) and has published the SFDR statement on its website. Under this disclosure regulation, the Fund is classified as a financial product that promotes environmental characteristics within the meaning of Article 8(1) of Regulation (EU) 2019/2088.

The Fund promotes climate and environmental objectives as included in article 9 of the Taxonomy Regulation, more specifically the objective 'climate change mitigation' and 'climate change adaptation'. The Fund promotes these objectives in its underlying investments, by promoting the stabilisation of greenhouse gas concentrations in the atmosphere consistent with the long-term temperature goal of the Paris Agreement and promoting the resilience of its underlying investments to climate change.

The Fund continues to implement updated Regulatory Technical Standards (RTS) related to the SFDR and related legislation. For more information on the SFDR and EU Taxonomy, please refer to the pre-contractual disclosure in the Prospectus and the periodic disclosure in this Annual Report (Appendix 2: Annex IV, SFDR periodic disclosure).

SDGs

In 2015, the Sustainable Development Goals (SDGs) were endorsed by all United Nations member states to enhance sustainable development at the global level. Ahead of 2030, These goals provide a shared blueprint for eradicating global poverty and inequality, combatting climate change and creating a prosperous and peaceful life for all.

The Fund actively contributes to the SDGs which are outlined on this page.

7 AFFORDABLE AND CLEAN ENERGY

The Fund aims to achieve a net zero portfolio in 2045. Its objective is to reduce energy and GHG intensity and to increase on-site renewable energy generation. In 2024, the total power in wattage installed in the Fund's portfolio was 5,272 kWp.

11 SUSTAINABLE CITIES AND COMMUNITIES

The Fund's focus is on creating a healthy and future-proof living environment. This encompasses affordable housing, green and healthy public spaces and active communities. In 2024, 670 new dwellings were delivered to the Fund. Of these, 346 dwellings had rents below the upper limit of € 1,350 and were deemed affordable.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Operational emissions are the focus of the Fund's aim to realise a net zero portfolio. Since 2023, the Fund has also considered embodied carbon its programme of requirements for acquisitions and renovations. By doing so, the Fund ensures an integrated approach to both operational and embodied carbon emissions.

13 CLIMATE ACTION

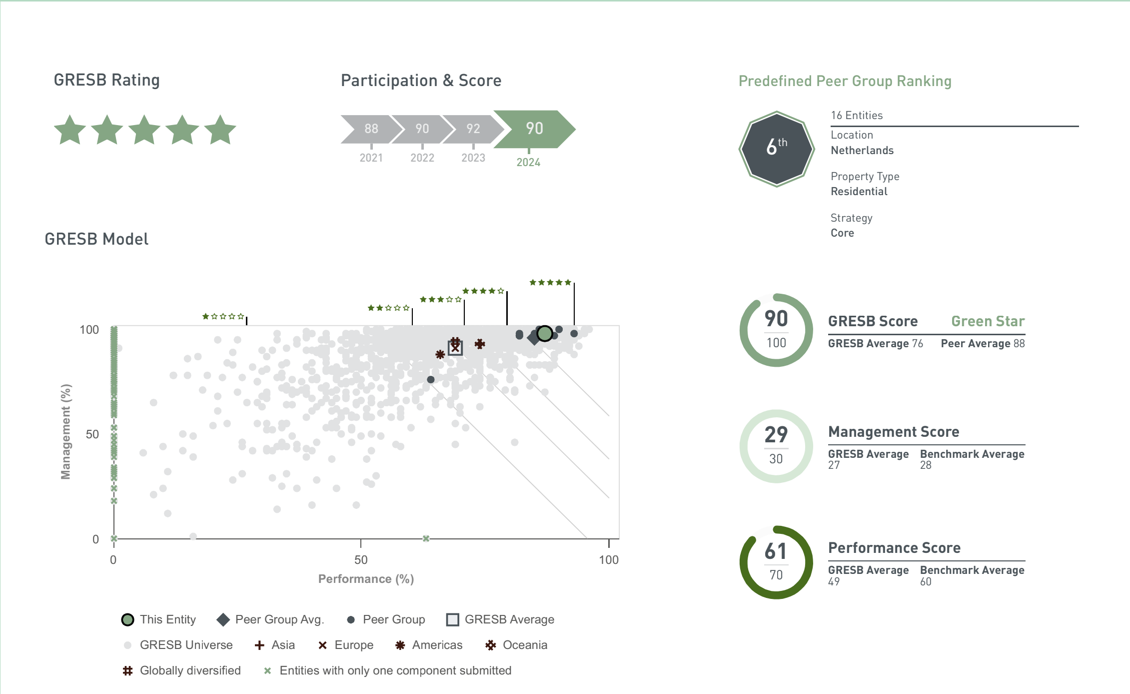
Climate adaptation is an objective of the Fund, to adapt to climate change and related risks. In 2024, the Fund identified 13 assets with one or more high physical climate risks, for which an in-depth analyses ('deep dive') is carried out.

GRESB (yearly survey rating)

GRESB – Five stars for ASR DCRF

The ASR Dutch Core Residential Fund achieved a score of 90 points. With a GRESB rating of five stars, the Fund is one of the 20% of best performing GRESB funds in the world. The Fund scores well above the GRESB average (76 points) and the peer group average (88 points). The high score is the result of active asset enhancements, reducing energy intensity and GHG emissions, and thorough analysis of climate risks.

GRESB Model



AIFMD

The Fund is an Alternative Investment Fund (AIF). In accordance with Alternative Investment Fund Managers Directive (AIFMD), the Fund Manager is obliged to apply for an AIFMD licence from the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten, or AFM). The licence was issued in February 2015. The AIFM Directive requires a depositary to be appointed to monitor the Fund. This is to safeguard against fraud, bookkeeping errors and conflicts of interest. To this end, a contract was signed with BNP Paribas SA to act as depositary as of 11 June 2015. An information platform was set up to provide the depositary with the appropriate information in an effective way. As the Netherlands Authority for the Financial Markets (AFM) granted a.s.r. real estate the AIFMD licence, the Fund is under an obligation to submit comprehensive reports on risks and restrictions. As of the first quarter of 2015, the Fund Manager reports to the Dutch Central Bank (DNB) on results and risks on a quarterly basis.

The Fund's strategy as described in the Fund Agreement is subject to strategic risks as well as financial restrictions, subscription and redemption restrictions, and investment restrictions. Operational risks apply directly to operating activities and financial risks apply to developments in the financial and real estate markets. These financial risks are monitored on a continuous basis. The Fund Agreement sets out the Fund's investment objectives and strategy, investment criteria and investment restrictions. These requirements, which are monitored on a quarterly basis and on a case-by-case basis for acquisitions and sales, relate to:

1 Financial restrictions
The financial restrictions relate to the loan-to-value (LTV) position of the Fund and are as follows:
- The LTV is capped at 30%.
- If the LTV exceeds 25%, the Fund Manager is required to prepare plans to lower the LTV.
- No more than 12.5% of the LTV can be used for redemption purposes. If the percentage for redemption purposes exceeds 7.5%, the Fund Manager is required to take action to lower this percentage.

2 Subscription and redemption restrictions
The subscription and redemption restrictions are as follows:
- Subscription threshold of € 10m for new investors.
- Subscription threshold of € 100k for current investors.
- No investor is permitted to exceed a total financial position of 25% of the units, except for the Anchor Investor, unless the Management Company has granted its specific approval. Nevertheless, the financial position is never to exceed one-third of the total units.

3 Investment restrictions
- Focus on core, residential assets in the Netherlands.
- Maximum of 20% of GAV invested in a single asset.
- The Fund needs to be in control of the assets. No investment in any other Fund or vehicle that results in investors paying duplicative fees or a greater fee rate.
- The Fund shall avoid development risk and Project BV shall not engage in any development activities with respect to other parties than the Fund.

As at 31 December 2024, the Fund complied with the financial restrictions, the subscription and redemption restrictions, and the investment restrictions.

Depositary statement

Considering that:
- BNP Paribas S.A. is appointed to act as depositary for ASR Dutch Core Residential Fund ('the Fund') in accordance with subsection 21(1) of the Directive 2011/61EU (the 'AIFM Directive');
- Such appointment and the mutual rights and obligations of the Fund Manager, title holder and depositary of the Fund are agreed upon in the depositary agreement dated 11 June 2015, between such parties, including the schedules to that agreement ('the agreement');
- The depositary delivers this statement to the Fund Manager in relation to the activities of the Fund Manager and the title holder and this statement refers to the year ended December 31, 2024 (the relevant year hereafter referred to as 'the period').

Responsibilities of the Depositary
The Depositary acts as a depositary within the meaning of the AIFM Directive (the 'AIFMD') and shall provide the services in accordance with the AIFMD, EU implementing regulation, relevant Dutch laws and the policy rules issued by the European Securities and Markets Authority (ESMA) or the Dutch Authority for Financial Markets (AFM). The responsibilities of the Depositary are described in the agreement and include, in addition to the Safekeeping, Recordkeeping and Ownership Verification (as described in article 21(8) AIFMD), also a number of monitoring and supervisory responsibilities as defined by article 21(7) and 21(9) of the AIFM Directive, namely:
- Cash flow monitoring, including the identification of significant and inconsistent cash flows and the reconciliation of cash flows with the administration of the Fund;
- Ensuring that the sale, issue, re-purchase, redemption, cancellation of units or shares of the Fund and valuation are carried out in accordance with the applicable national law and the Fund rules or instruments of incorporation;
- Ensuring that investment transactions of the Fund are timely settled;
- Monitor and check that the total result of the Fund is allocated in accordance with the applicable national law and the Fund rules or instruments of incorporation;
- Monitor and check that the Alternative Investment Manager ('AIFM') performs its investment management duties within the Fund rules or instruments of incorporation;

Statement of the Depositary
We have carried out such activities during the period as we consider necessary to discharge our responsibilities as Depositary of the Fund. Based on the information available to us and the explanations provided by the Fund Manager, we did not uncover any information indicating that the Fund Manager has not carried out its activities, in scope of the monitoring and oversight duties of the Depositary, in accordance to the applicable laws, Fund rules and instruments of incorporation.

Miscellaneous
No rights can be derived from this statement, other than the rights resulting from laws and regulation mentioned above. This statement does not create, and does not intend to create, any right for a person or an entity that is not a party to the agreement.

Amsterdam, 4 March 2025

BNP Paribas S.A., Netherlands Branch
Depositary and Fiduciary Services

Risk management

ASR Dutch Core Residential Management Company B.V. (the Management Company) has an agreement (Management Agreement) with a.s.r. real estate (the AIF Manager). This agreement states that the AIF Manager will provide fund management services, asset management services and property management services to the Management Company.

The following (not limitative) items are included under fund management services: legal & structuring, compliance, business and financial advisory, human resource, risk management, communication and marketing, and finance and tax. The ASR Dutch Core Residential Management Company has outsourced all responsibilities to the AIF Manager. a.s.r. real estate also acts as the AIF Manager of the Fund under AIFMD requirements. Risk management is therefore described from the perspective of the AIF Manager (a.s.r. real estate).

The AIF Manager reviews key processes according to ISAE 3402 Type II. A Type II report not only includes the service organisation's description of controls, but also includes the detailed testing of the service organisation's controls. Every year, compliance to the ISAE framework is audited by an external auditor. In February 2025, a.s.r. real estate received an ISAE 3402 Type II statement without remarks for the year 2024.

The AIF Manager makes a distinction between financial, strategic and operational risks: Financial risks apply to developments in the financial and real estate markets. Strategic risks apply to the Fund's strategy as described in the Fund Agreement. Operational risks apply directly to operating activities. A description of the Fund's main risks, the specific measures to manage these risks and, if applicable, their impact on results and equity are discussed below.

Risk matrix

Financial risks

Risk	Risk appetite	Risk mitigating aspects	Impact
Rental risk	The Fund strives to obtain a stable rental income, with a high occupancy rate being a core objective.	The Fund focuses on the best performing agglomerations and cities. There is continuous monitoring of market rents and their movements. Standard lease terms state that rent must be paid in advance.	The occupancy rate is high and stable (98.3% of theoretical rent in 2024).
Market risk	The Fund has a moderate risk appetite for market risk, accepting a certain level of market volatility to achieve capital growth.	The monitoring of market transactions and developments. The portfolio is valued by independent appraisers.	Capital growth was positive in 2024 and shortages in the residential market remain significant, further reducing this risk in the long term.
Interest rate risk	The Fund is predominantly intended to be an equity fund. Therefore, interest rate risk is limited.	The Fund's interest rate risk is continually assessed.	The Fund maintains a low leverage status, with an LTV ratio of 0%.

Risk	Risk appetite	Risk mitigating aspects	Impact
Credit risk	The Fund's policy is to deal only with creditworthy counterparties and to obtain sufficient collateral. The Fund has opted not to insure against credit risk.	There is a high number of individual tenants. No single tenant or group under common control contributes more than 1% of the Fund's revenues. Standard lease terms are paid in advance. A deposit is required within the standard lease terms.	Bad debt provision increased from € 578k in 2023 to € 698k in 2024. Bad debt provision as a percentage of gross income is calculated at 0.90%.
Liquidity risk	The Fund strives to obtain an adequate cash position in order to fund future investments. Units in the Fund represent an illiquid investment as the Fund can accept Redemption Requests quarterly. The Fund is a closed-end investment company under AIFMD definitions.	The Fund maintains adequate reserves and obtains loan facilities if applicable, monitoring forecasted and actual cash flows and matching maturity profiles of financial assets and liabilities. After the lock up, the Fund is allowed to issue new units or purchase existing units. A trade on the Secondary Market is possible, whereby an Investor can reach an agreement with one or more (prospective) Investor(s)	In 2024, the current cash position of € 63m and investor pipeline of € 210m were sufficient to cover both the current development pipeline and the current redemption requests (facilitated in January 2025 for € 69m in total), as at 31 December 2024. This leaves room for planned future investments.
Funding risk	The Fund wants to keep its low leverage status in order to support the equity character of the Fund.	The Fund may enter into loan facilities in order to finance committed forward acquisitions, acquisition of new properties, short-term working capital requirements or liquidity for redemptions requests. The use of leverage may enhance returns and increase the number of investments that can be made, but it could also increase the risk of loss.	LTV ratio was 0%, as at 31 December 2024.
Project risk	The Fund may undertake the maintenance, renovation and/ or extension of an asset or invest in an asset that requires maintenance, renovation and/ or extension prior to acquiring the asset by itself. The fund may invest in maintenance, renovation and/ or extension work which include several risks.	The ASR Dutch Core Residential Projects B.V. was set up in order to mitigate the risk regarding Project developments or large scale renovation projects.	The ASR Dutch Core Residential Projects BV did not perform any activities during 2024.

Risk	Risk appetite	Risk mitigating aspects	Impact
Contract risk	The Fund, with its moderate risk appetite for contract risk, is exposed to the possibility of loss arising from tenants reneging on their contracts.	The probability of loss arising from failure in contract performance by tenants, contractors, or any other third party is mitigated by a broad, diversified tenant portfolio, the use of CDD screenings, and the AIF Manager's risk management framework.	No significant events occurred in 2024.
Uninsured risk	The Fund is exposed to certain risks that are uninsurable or not generally insured against because it is not economically viable to insure against such losses.	Extreme scenarios such as war, terrorism, environment disaster, etc. are uninsurable or not economically viable. The Fund understands that tail risks could occur.	No significant events occurred in 2024.
General risk for the Fund	The Fund seeks to limit the liability of each Investor to the amount of their investment.	The Fund Agreement expressly states that the Fund does not constitute or qualify as a partnership (maatschap), general partnership (vennootschap onder firma) or limited partnership (commanditaire vennootschap) and is not deemed to constitute a cooperation agreement (samenwerkingsovereenkomst) among the Management Company, the Legal Owner and the Investors, or among the Investors within the meaning of Dutch law. Any obligation of an Investor to make contributions to the Fund only creates an obligation between that individual Investor and the Legal Owner. Consequently, neither the Management Company nor the Investors shall be deemed to be partners (maten/vennoten) in the Fund.	No significant events occurred in 2024.

Strategic risks

Risk	Risk appetite	Risk mitigating aspects	Impact
Strategic risk	Strategic risk relates to the risk that the Fund's objectives are not achieved because of the management's poor decision-making, incorrect implementation and/or insufficient response to changes in the environment. However, the risk appetite for such risks is very low. The Fund's investment restrictions relate to the following criteria: • A focus on core residential assets in the Netherlands; • A maximum of 20% of GAV that can be invested in a single asset; • Control of the assets by the Fund; • The avoidance of development risk by the Fund. The Fund Agreement sets out the Fund's investment objectives & strategy, investment criteria and investment restrictions.	The Management Company mitigates strategic risk by annually drawing up a Three Year Business Plan. In doing so, market opportunities and threats are analysed and amendments made to the policy, if necessary. The investment objectives and strategy, investment criteria and investment restrictions, as set out in the Fund Agreement, are monitored both on a quarterly basis and on a case-by-case basis for acquisitions and sales. The Management Company continuously monitors portfolio deviation and the consequences of potential acquisitions and sales on the investment restrictions.	The Fund has fulfilled its strategy and objectives as defined in the Three Year Business Plan 2024-2026.
Sustainability risk	Sustainability risks arise in relation to general market conditions that are changing and that could have a negative impact on the future letting potential and marketability of buildings in the portfolio if no action is taken.	The main sustainability risks for the sustainability targets will be mitigated in accordance with other Fund objectives through an integrated risk management system based on a risk control matrix and enterprise risk management. Furthermore, sustainability targets are incorporated in the Fund's Three Year Business Plan.	In 2024, most of the Fund's climate & adaptation objectives were met. In 2024, all assets have been subject to an investigation on Low, Medium or High climate risk.
Country risk	The Fund holds investments solely in the Netherlands.	a.s.r. real estate has a research department to closely monitor the developments that are relevant for the property markets in which the Fund operates.	No significant events occurred in 2024.
Dossier, information and consultancy risks	The Fund has a very low risk appetite for factors that limit its ability to assert or enforce statutory or contractual warranty obligations, which could leave the Fund without recourse to third parties for potentially significant liability for property defects.	The Fund uses an extensive investment process and benefits from the vast expertise within a.s.r. real estate.	No significant events occurred in 2024.

Risk	Risk appetite	Risk mitigating aspects	Impact
Maintaining the Fund's tax status	The risk of The Fund losing its status as a tax transparent fund for joint accounts for Dutch corporate income tax purposes and for Dutch dividend withholding tax purposes. The Fund does not accept any risk of losing its tax status.	The Dutch tax authorities have confirmed the transparency of the Fund for corporate income tax and Dutch dividend withholding tax purposes. In order to maintain this tax status, no development activities should take place within the Fund. As a consequence, the Management Company continuously monitors its pipeline projects.	No significant events occurred in 2024.
Relative performance risk	The Fund has a low risk appetite for the risk of performance falling behind the Fund's targets and peers.	This is monitored quarterly by the Fund, and participants receive a quarterly update.	The performance is closely monitored on a quarterly basis.
Concentration risk	The Fund has a low tolerance for concentration risk.	This risk factor is mitigated by establishing fifteen focus agglomerations and cities. Within this strategy, concentration risk is further mitigated by diversifying asset types, such as apartments, single-family houses and having different types of tenants.	The Fund has acted within the terms and restrictions.
Valuation risk	The valuation of the Portfolio Assets depends on the valuation methods used. The Fund will only accept valuations determined in accordance with the generally accepted international valuation standards The value of the assets in the portfolio is determined by market value which may fluctuate.	The market value property valuations are prepared in accordance with the generally accepted international valuation standards, currently regarded to be the RICS Valuation Standards, (the "Red Book"). These standards are in line with IAS and IFRS. Assurance that the proper fair value for the Assets is reflected in the Financial Statements of the Fund relies on independent valuers. In order to further mitigate the valuation risk, the Fund has assigned three independent valuers who will be replaced after a maximum assignment period of three years.	The valuers did not make any claims about material uncertainty during 2024.

Operational risk

Risk	Risk appetite	Risk mitigating aspects	Impact
Operational risk	Operational risk is the risk that errors are not observed in a timely manner or that fraud can take place as a result of the failure or inadequacies of internal processes, human and technical shortcomings, and unexpected external events. The risk appetite for such risks is very low.	The Operational Risk Framework is in place. The ORF controls are monitored and reported to the management on a monthly base by business risk management. An annual ISAE 3402 audit is performed with certification by an external auditor.	In February 2025, a.s.r. real estate received an ISAE 3402 Type II statement without remarks for the year 2024.
Risk factors on Asset Management and Property Management	The Fund faces the risk that Asset Management and Property Management is not performed properly. However, the risk appetite for such risks is very low.	The Fund acts as an active asset manager, closely monitoring the technical quality, readiness and representation level of the properties to assure the value of the real estate assets in the portfolio to its users.	No significant events occurred in 2024.
Continuity risk	The Fund has a very low risk appetite for the risk that the management organisation stops working as a result of, for example, bankruptcy or failing IT systems. In such situations, the agreements made with principals can no longer be carried out.	This risk is mitigated by maintaining service level agreements with subcontracting partners, drawing up and maintaining the business continuity plan, and pursuing a data protection policy.	No significant events occurred during 2024. The AIFM has a Business Continuity Plan in place.

Compliance risks

Risk	Risk appetite	Risk mitigating aspects	Impact
Integrity risk	The risk that unethical behaviour of employees, internal managers and business partners can damage or prevent the realisation of the Fund's objectives and yield. The AIF Manager does not tolerate this kind of behaviour.	A whistleblower policy, CDD, pre-employment screening, and COI policy are in place.	No significant events occurred in 2024.
Financial reporting risk	The Fund has a very low risk appetite for the risk that erroneous reports provide an inaccurate representation of the Fund's financial situation.	The quality of the Fund's financial reports is guaranteed by the performance of periodic internal and external audits.	No significant events occurred in 2024.
Safety, Health, Environmental risk issues (SHE risk)	The Fund may face a substantial risk of loss from claims based on environmental problems associated with its assets, as well as from occupational safety issues and third-party liability risks. The risk appetite for such risks is very low.	A Due Diligence is part of the investment process. The identification of potential environmental risks is always part of the independent risk analysis of each investment process.	No significant events occurred in 2024.

Risk	Risk appetite	Risk mitigating aspects	Impact
Legislation and regulation risk	The Fund cannot influence or change amendments to legislation and regulations. The Fund is well aware that changes in laws and regulations may influence the results of the Fund.	Legislation and regulation risk can be mitigated by anticipating upcoming (possible) amendments in a timely manner. The Management Company has designated a Legal department and Compliance Officer.	The ‘Wet betaalbare huur’ and changes for the WWS has had a minor impact in the short to medium term. However, it could impact rental income for the Fund in the long run.
Tax and legal risks	The Fund avoids any incorrect legal or fiscal assessments.	This risk is mitigated by a designated tax department and obtains, when necessary, advice from external tax advisors and lawyers from reputable organisations.	In 2023, the Fund faced litigation in relation to the indexation clause. However, in 2024, the Dutch Supreme Court followed the advice of the general prosecutor, which was in line with the Fund’s practice. This makes the chance of further litigation relating to this topic highly unlikely.
Depositary Risk	The Fund will only accept a financially sound depositary that has an excellent reputation. The Fund’s Depositary will be liable to the Fund for losses suffered by the Fund as a result of the Depositary’s negligent or intentional failure to properly fulfil its obligations under such agreement and under the relevant rules and regulations under and further to the AIFMD, in accordance with the requirements and limitations of Book 6 of the Dutch Civil Code (Burgerlijk Wetboek).	Beside the depositary’s performance regarding the fulfilment of its AIFMD obligations, the financial stability and integrity of the depositary is monitored by the AIF Manager on a quarterly basis.	No significant events occurred in 2024.
Custody Risk	The Legal Owner shall hold the legal title (juridisch eigendom) of the Assets on behalf of the Fund only. The Legal Owner’s balance sheet is sound.	This risk is limited and mitigated by the fact that the Legal Owner has no activities other than acting as the legal owner of the assets of the Fund. The Legal Owner’s balance sheet strength and liquidity position is constantly monitored by the AIF Manager.	No significant events occurred in 2024.

Fund **outlook**

House prices have continued their steady growth in the Dutch residential owner-occupied market, with a y-o-y growth of almost 12% as per the end of 2024. With mortgage rates still declining since late 2023 and another increase of transaction activity in the last quarter of 2024, house prices have been growing steadily in 2024. A recovery in the investment market has been visible since the start of 2024 and valuations have gone up in the third quarter and even more so in the fourth quarter of that year. The residential investment market also showed remarkable signs of recovery, with high investment volumes being driven by large portfolios of standing investments that were sold by institutional investors to foreign and private investors with a sell-off strategy.

With regard to the Fund's returns, this led to a positive capital growth of 3.2% in the fourth quarter of 2024. The combination of strong rental value growth and a marginal decline in reversionary yields is reason to expect further positive price developments in 2025 and 2026 (also supported by the expected decrease of transfer tax from 10.4% to 8% in Q1 2026). The long-term outlook for the Dutch residential rental market thus remains favourable due to scarce supply of affordable residential units and a small pipeline for new residential projects, in combination with strong demand for this segment.

With regard to the Fund's portfolio, the high demand for affordable rental housing, high occupancy rates and good market rent potential continue to be the foundation for a stable operating result from the portfolio.
The Fund will continue its focus on further strengthening the portfolio, either by investing and making existing assets more sustainable, or by adding new (sustainable) properties to the portfolio, or by disposing of assets with less favourable characteristics. This will lead to improvement in the ESG characteristics of the portfolio and ultimately to a net zero portfolio by 2045.

The Dutch Supreme Court followed the advice of the general prosecutor and ruled that a rent adjustment clause providing for an annual surcharge of up to 3% on top of the consumer price index is generally not considered unfair. This ruling is in line with the Fund's practice and this makes the chance of further litigation relating to this topic highly unlikely.

a.s.r. real estate continues its commitment to being a full-service real estate platform for institutional investors. The platform is well-equipped to serve its investors to the high standards that are expected of a professional real estate investment management platform.

Utrecht, the Netherlands, 7 April 2025

ASR Real Estate B.V.
On behalf of the ASR Dutch Core Residential Management Company B.V.
Dick Gort, CEO
Michiel Kroot, CFRO

The Roofs, Den Haag

IFRS financial statements

Statement of income and comprehensive income

(amounts in € '000, unless otherwise stated)

Statement of income and comprehensive income

For the year	Notes	2024	2023
Gross rental income	5	77,161	71,921
Service charge income	5	3,591	3,479
Total operating income		**80,752**	**75,400**
Property-specific costs	6	(21,769)	(18,266)
Service charge expenses	5	(3,591)	(3,479)
Fund expenses	7	(956)	(888)
Management fees	8	(9,666)	(9,417)
Total operating expenses		**(35,982)**	**(32,050)**
Operating Result		**44,770**	**43,350**
Finance result		**1,053**	**952**
Changes in fair value of investment properties	11	149,357	(208,622)
Changes in fair value of right of use contracts	12	(52)	(40)
Changes in value of participations	13	5,427	(11,746)
Dividend income of participations	13	4,900	-
Result on sales of investment properties	10	816	-
Result on individual unit sales	10	629	3,366
Realised and unrealised gains and losses		**161,077**	**(217,042)**
Net Result		**206,900**	**(172,740)**
Other comprehensive income		-	-
Total Comprehensive Income		**206,900**	**(172,740)**
In €			
Direct result per unit (distributable result per unit)		34	32
Indirect result per unit		102	(148)
Net result per unit		**136**	**(116)**

Click on a note reference to go to that note. Use the button to return.

Statement of financial position

after appropriation of result (amounts € '000, unless otherwise stated)

Statement of financial position			
As at	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Investment properties in operation	11	1,975,684	1,683,476
Investment properties under construction	11	45,161	174,055
Right-of-use assets	12	1,072	927
		2,021,917	**1,858,458**
Participations			
Grotiusplaats Den Haag C.V.	13	114,280	109,000
Grotiusplaats Den Haag Beheer B.V.		20	-
		114,300	**109,000**
Current assets			
Trade receivables	14	3,420	1,673
Cash and cash equivalents	15	63,335	27,224
		66,755	**28,897**
Other current assets			
Investment properties held-for-sale	11	277	745
		277	**745**
Total assets		**2,203,249**	**1,997,100**
CAPITAL AND LIABILITIES			
Capital			
Issued capital	16	1,546	1,510
Additional paid-in capital		1,464,793	1,416,500
Revaluation reserve		622,428	565,628
Retained earnings		89,323	(9,425)
		2,178,090	**1,974,213**
Non-current liabilities			
Lease liabilities	17	1,072	927
		1,072	**927**
Current liabilities			
Trade and other liabilities	18	24,087	21,960
		24,087	**21,960**
Total capital and liabilities		**2,203,249**	**1,997,100**

Statement of changes in capital

(amounts in € '000, unless otherwise stated)

Statement of changes in capital

For the period 1 January 2023 - 31 December 2024	Issued capital	Additional paid-in capital	Retained earnings	Revaluation reserve[1]	Total
Balance as at 1 January 2023	**1,461**	**1,350,222**	**27,872**	**748,739**	**2,128,294**
Transactions of the comprehensive income					
- Profit for the year	-	-	(172,740)	-	(172,740)
- Movement arising from market valuations	-	-	168,670	(168,670)	-
- Movement arising from participations	-	-	11,786	(11,786)	-
- Movement arising from divestments	-	-	2,655	(2,655)	-
Total comprehensive income	**-**	**-**	**10,371**	**(183,111)**	**(172,740)**
Transactions with the owners of the Fund					
Contributions and distributions:					
- Issue and redemption of ordinary units	44	59,906	-	-	59,950
- Issue of distributable result in units	5	6,372	-	-	6,377
- Distributable result	-	-	(47,668)	-	(47,668)
Total transactions with the owners of the Fund	**49**	**66,278**	**(47,668)**	**-**	**18,659**
Balance as at 31 December 2023	**1,510**	**1,416,500**	**(9,425)**	**565,628**	**1,974,213**
Transactions of the comprehensive income					
- Profit for the year	-	-	206,900	-	206,900
- Movement arising from market valuations	-	-	(102,357)	102,357	-
- Movement arising from participations	-	-	(5,280)	5,280	-
- Movement arising from divestments	-	-	50,837	(50,837)	-
Total comprehensive income	**-**	**-**	**150,100**	**56,800**	**206,900**
Transactions with the owners of the Fund					
Contributions and distributions:					
- Issue and redemption of ordinary units	30	39,940	-	-	39,970
- Issue of distributable result in units	6	8,353	-	-	8,359
- Distributable result	-	-	(51,352)	-	(51,352)
Total transactions with the owners of the Fund	**36**	**48,293**	**(51,352)**	**-**	**(3,023)**
Balance as at 31 December 2024	**1,546**	**1,464,793**	**89,323**	**622,428**	**2,178,090**
In €					
NAV per unit					1,410
Distributable result per unit					34

1 The revaluation reserve concerns the revaluation of the investment properties and participations. The (unrealised) positive difference between the cumulative increase in the fair value of the property as at the end of the year has been included in the revaluation reserve. The revaluation reserve as at year-end has been determined at individual property level.

Statement of changes in capital (continued)

(amounts in € '000, unless otherwise stated)

Distributable result

For the year	2024	2023
Operating result	44,770	43,350
Finance result	1,053	952
Dividend income of participations	4,900	-
Result on individual unit sales	629	3,366
Distributable result	**51,352**	**47,668**

Statement of cash flows

(amounts in € '000, unless otherwise stated)

Statement of cash flows			
For the year	Notes	2024	2023
Net result		206,900	(172,740)
Adjustments for:			
Interest result	9	(1,053)	(952)
Change in fair value of investment properties	11	(149,357)	208,622
Capitalised rent incentives		(39)	-
Change in value of participations	13	(5,280)	11,746
Result on sales	10	(1,445)	(3,366)
Change in working capital		(5,959)	(1,475)
Cash flows from operating activities		**43,767**	**41,835**
Interest paid	9	(45)	(51)
Interest received	9	1,098	1,003
Net cash from / (used in) operating activities		**44,820**	**42,787**
Cash flows from or used in investing activities			
Investment properties in operation	11	(6,570)	(10,769)
Investment properties under construction	11	(113,268)	(67,378)
Investment in participations	13	4,900	40
Divestments of investment property	10	107,815	9,624
Net cash from / (used in) investing activities		**(7,123)**	**(68,483)**
Cash flows from or used in financing activities			
Issue of units		39,970	59,950
Distributed result (excluding distribution in units)		(41,556)	(39,896)
Net cash from / (used in) financing activities		**(1,586)**	**20,054**
Net movement in cash		**36,111**	**(5,642)**
Cash and cash equivalents as at the beginning of the period		27,224	32,866
Net increase in cash and cash equivalents		36,111	(5,642)
Cash and cash equivalent at end of the period		**63,335**	**27,224**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Notes to the financial statements

(Amounts in € '000, unless otherwise stated)

The accounting principles adopted in the preparation of the financial statements of the Fund are set out below.

1 General

The Fund is a fund for joint account (fonds voor gemene rekening) under Dutch law. The Fund is not a legal entity (rechtspersoon), but a contractual arrangement sui generis, subject to the terms hereof, among the Management Company, the Custodian and each Investor individually. The Fund shall have an indefinite term subject to early dissolution of the Fund in accordance with Clause 15 of the Fund Agreement.

The Fund was established on 1 January 2013 and has its legal base in Utrecht, the Netherlands with address at Archimedeslaan 10, 3584 BA.

Its main activities are to invest in, to manage and to add value to a portfolio of core quality residential properties in the Netherlands. The intention is to deliver a stable income return while preserving a balanced risk structure.
The reporting year encompasses the period from 1 January to 31 December.

These financial statements have been prepared by the Management Company and will be adopted for issue by the Meeting of Investors.

2 Summary of significant accounting principles

2.1 Basis for preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSEU), Standing Interpretation Committee and IFRS Interpretation Committee as adopted by the European Union, Part 9 of Book 2 of the Dutch Civil Code and the Act on Financial Supervision (Wet op het financieel toezicht, Wft).

Income and cash flow statement

The Fund has elected to present a single statement of profit or loss and other comprehensive income and presents its expenses by nature.

The statement of cash flows has been drawn up according to the indirect method, separating the cash flows from operating activities, investment activities and financing activities. The result has been adjusted for accounts in the statement of income and comprehensive income and movements in the statement of financial position which have not resulted in cash income or expenditure in the financial year. The cash and cash equivalents and bank overdraft amounts in the statement of cash flows include those assets that can be converted into cash without any restrictions and with insignificant change in value as a result of the transaction. Distributions are included in the cash flow from financing activities. Investments and divestments are included in the cash flow from investment activities at either the acquisition price or the sale price.

Preparation of the financial statements

The financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the revaluation of investment property that has been measured at fair value. Except for cash flow information, the financial statements are prepared using the accrual basis of accounting.

In preparing these financial statements in conformity with IFRS-EU, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in euros, which is the Fund's functional currency and the Fund's presentation currency.

Subsidiaries
Subsidiaries are those entities over which the Fund has control. Control exists when the Fund is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. This is the case if more than half of the voting rights may be exercised or if the Fund has control in any other manner.

A subsidiary's assets, liabilities and contingent liabilities are measured at fair value on the acquisition date and are subsequently accounted for in accordance with the Fund's accounting policies, which are consistent with IFRS. The financial statements include the financial statements of the Fund and its subsidiary, ASR Dutch Core Residential Projects B.V. (hereafter Project BV), in which the Fund has an 100% equity interest.

The Fund will engage Project BV for maintenance, renovation and/or extension activities of portfolio assets to be acquired by the Fund, that might qualify as development activities for Dutch tax purposes. The Project BV will solely engage in any such activities with respect to portfolio assets and therefore not with respect to assets of othe parties than the Fund.

The financial impact of the Project BV in the Fund's financial statements is not significant and therefore the financial statements of the Fund are an actual reflection of both the consolidated and the separate financial statements.

2.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Fund
In 2024, no changes in EU endorsed published IFRS Standards and Interpretations are relevant to the Fund.

(b) New standards, amendments and interpretations issued, but not yet effective
No new standards, amendments to existing standards and interpretations, published prior to 1 January 2024 and effective for accounting periods beginning on or after 1 January 2024, are relevant to the Fund.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in euros, which is the Fund's functional currency and the Fund's presentation currency.

Significant accounting policies

2.4 Changes in presentation: restatement

Investment properties are defined as properties held for long-term rental yields or for capital appreciation or a combination of both.

The following are examples of investment properties:
- A building owned and held for generating rental income and/or capital appreciation;
- A building owned by the Fund and leased out under one or more operating leases;
- A building that is vacant but is held to be leased out under one or more operating leases;
- Property that is being constructed or developed for future use as investment property.

An item of investment property that qualifies for recognition as an investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable.

Investment properties under construction for which the fair value cannot be determined reliably, but for which the Management Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Prepayments on turnkey projects, as part of investment properties under construction, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses, if applicable.

Fair value of investment property is based on independent market valuations, adjusted, if necessary, for any difference in nature, location or condition of the specific asset. These market values are based on valuations by external valuers. Investment properties are valuated in line with valuation schedule. The external valuers will provide independent market valuations of the Fund's underlying assets on a quarterly basis, while being annually surveyed. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

It may sometimes be difficult to reliably determine the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:
- Status of construction permits;
- The provisions of the construction contract;
- The stage of completion;
- If finance arrangements are in place;
- The number of contracts pre-let;
- The development risk specific to the property;
- Past experience with similar constructions.

Market value property valuations will be prepared in accordance with the RICS Valuation Standards (the 'Red Book'). The relevant variables in the valuation methods are net, gross actual rents, theoretical rent, Estimated Rental Value (huurherzieningswaarde), remaining rental period, voids and rental incentives. The net capitalisation factor and the present value of the differences between market rent and contracted rent, of vacancies and maintenance expenditure to be taken into account are calculated for each property separately.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rationa market participant would take into account when determining the value of the property.

Changes in fair values are recognised in the statement of income and other comprehensive income. Investment properties are derecognised from the statement of financial position on disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses on the derecognising of an investment property are recognised in the statement of income and other comprehensive income in the year of derecognising.

See Note 2.7 (b) for details of the treatment of letting fees capitalised within the carrying amount of the related investment property.

2.5 Investment properties held-for-sale

Assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

2.6 Leases

The Fund assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) The Fund is the lessor
Leases in which the Fund does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(b) The Fund is the lessee
The Fund applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Fund recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets
The Fund recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.
The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

If ownership of the leased asset transfers to the Fund at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities
At the commencement date of the lease, the Fund recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Fund and payments of penalties for terminating the lease, if the lease term reflects the Fund exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Fund uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Fund's lease liabilities are included in Interest-bearing loans and borrowings (see note 2.11)

iii) Short-term leases and leases of low-value assets
The Fund applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.7 Financial instruments

(a) Financial assets
The Fund determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial assets expire or the Fund transfers substantially all risks and rewards of ownership. The Fund's financial assets consist of cash and cash equivalents, loans and receivables.

Financial assets recognised in the statement of financial position as trade and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Trade receivables are amounts due from tenants under the lease agreements. Standard lease terms require upfront payment of rent and therefor trade receivables are all classified as current. Trade receivables are recognised initially at the amount of consideration that is as current. Trade receivables are recognised initially at the amount of considerations that is unconditionals unless they contain significant financing components, when they are recognised at fair value. The Fund holds trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised costs less expected credit losses.

The Fund applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables at each reporting date. The Fund has established a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Cash and cash equivalents are subsequently measured at amortised cost. Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Fund will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of income and other comprehensive income.

(b) Financial liabilities
Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or other liabilities at amortised cost, as appropriate. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the effective interest method (see Note 2.11 for the accounting policy on borrowings).

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

2.8 Cash and cash equivalents

Cash includes cash in hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

2.9 Capital

Capital is classified as equity.

When capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in the other reserves in capital. Repurchased units are classified as treasury units and deducted from total capital. Distributable results are recognised as a liability in the period in which they are declared.

Share premium
Amounts contributed by the shareholder(s) of the Company in excess of the nominal share capital are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire or acquire shares of the Company.

2.10 Current assets and liabilities

Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost, less impairment losses, if applicable.

The current assets and liabilities are due within one year. Current assets, for which provisions are necessary, are netted against the provision to reflect the estimated amount that will be settled. Rent receivables from tenants are stated at historical cost and reduced by appropriate allowances for estimated irrecoverable amounts.

2.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as finance costs (Note 2.15) over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs if it is not probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position. Currently the Fund has no borrowings.

2.12 Provisions

Provisions for legal claims are recognised when:

- The Fund has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.13 Dividend distribution

The distributable result to the investors is recognised as a liability in the Fund's financial statements.
The distributable result for the fourth quarter of 2024 has been paid in February 2025.

2.14 Revenue recognition

Revenue includes rental income, and service and management charges from properties. The Fund presents the service charge income and service charge expenses separately in the financial statements because the Fund bears the risk of recovery of these costs from tenants. Revenue on sales of investment properties is separately disclosed in the financial statements. A property is regarded as sold when the significant risks and rewards of ownership of the investment property have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Fund provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Gross rental income

Gross rental income is the actual rents charged to tenants plus turnover rent, mall income and parking revenues, less a possible loss from uncollectible rents, including the net effect of straight-lining of granted rent incentives.

Theoretical rental income

The theoretical rental income is based on passing rent of existing contracts for leased units and the estimated market rent (estimated rental value as given in the valuation report) for vacant properties.

Rent incentives and premiums

All (rent) incentives for contracts of a new or renewed operating lease are recognised as an integral part of the net considerations, irrespective of the incentive's nature or form or the timing of the payments. The Fund recognises the aggregate benefit of incentives as a reduction in rental income over the lease term, on a straight-line basis. (Rental) premiums are treated as inverse incentives. Premiums are also recognised as an integral part of the net consideration and added to the rental income over the lease term, on a straight-line basis.

2.15 Finance income and finance costs
Interest income and expense are recognised within 'finance income' and 'finance costs' in the statement of income and other comprehensive income using the effective interest rate, except for amortised costs relating to qualifying assets, which are capitalised as part of the cost of that asset. The Fund has chosen to capitalise amortised costs on all qualifying assets irrespective of whether they are measured at fair value or not. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. In the income statement netted amounts are shown for the balance of interest income and expenses.

2.16 Fund expenses and Management fee expenses
Fund expenses include legal, accounting, auditing and other fees. Management fee expenses include fund, asset and property management fees. Fund expenses and management fees are recognised in the statement of income and other comprehensive income in the period in which they are incurred (on an accruals basis).

2.17 Income tax
The Fund is transparent with respect to corporate income tax, therefore no corporate income tax is applicable for the Fund. The corporate income tax presented in the consolidated statement of income and comprehensive income relates to the Project BV. Corporate income tax in 2024 amounted to nil, as no activities took place in Project BV during 2024.

3 Risk management

Investing in real estate involves an element of financial risk. Potential investors in the ASR Dutch Core Residential Fund (the 'Fund') are requested to read each of the following sections carefully.

3.1 Introduction to investment risks
The value of participations will fluctuate. Likewise, the net asset value of the Fund is subject to price fluctuations. It is possible that the investment will increase in value; however, it is also possible that the investment will generate little to no income and that an unfavourable price movement will result in losing some or all of your capital. Past performance does not guarantee future results. The different risks associated with investing in the Fund, as well as those risks associated with the Fund's management and risk management systems, are defined in more detail below.

3.2 Risk management model
The AIF Manager, a.s.r. real estate, and the Fund's Investment Committee attach great importance to sound risk management. Such an approach helps a.s.r. real estate to pursue strategy and achieve objectives for the real estate funds that it manages in an adequate and controlled manner.

The risk management system of a.s.r. real estate and of the funds it manages follows the principles of The Committee of Sponsoring Organisations of the Treadway Commission II-Enterprise Risk Management (hereafter called COSO II-ERM). These principles provide a standard and common framework that is generally accepted in the market for internal control and audit purposes. The framework comprises the following components:
1. The objectives of the Fund with respect to risk management
2. The tasks and responsibilities of the Risk Manager
3. The planning of the risk management model within the AIF Manager's organisation so that procedures and measures guarantee the functional and hierarchical separation of those tasks concerning risk management and those tasks conducted by the operating units

The Alternative Investment Fund Managers Directive (AIFMD) license was granted to a.s.r. real estate on 9 February 2015. From this date continuous maintenance, if necessary, is carried out to the existing system to improve risk management in the organisation a.s.r. real estate. The AIF Manager sets out the risk policy in a policy document and the organisation employed an independent risk manager as required by the Act on Financial Supervision (Wft) and AIFMD.

The AIF Manager has integrated the risk management system into the organisation's processes and procedures. The aim is to effectively manage the risks of the organisation's operations, the financial position of the portfolio and any subcontracting relationship with regard to the Fund's objectives.
The Fund reports the mandatory AIFMD fund details and results to the Dutch Central Bank (DNB). This is done on a quarterly basis through 'Digitaal Loket Rapportages'.

3.3 Responsibility for risk management within a.s.r. real estate

Ultimate responsibility for risk management tasks within a.s.r. real estate lies with the Chief Finance and Risk Officer (CFRO). Portfolio management tasks fall under the responsibility of the Chief Executive Officer (CEO). This structure ensures that risk management and portfolio management are hierarchically and functionally segregated. The CFRO is supported by four senior members of staff and one team:

1. The Business Risk Manager (BRM);
2. The IT Risk Officer (IRO);
3. The Compliance Officer (CO);
4. The Fund Controller (FC); and
5. The Internal Control Team (Team IC).

Risk management mission

The role of risk management is to control risk and value creation. It is carried out by making risk management an integrated, visible and consistent part of the organisation's decision-making processes.
Risk management entails:

- Delivering and translating policy and frameworks for a.s.r. real estate; Identifying and quantifying risks;
- Managing risks; and
- Monitoring the management of risk and issuing reports on the findings.

Risk management is conducted in the interest of several interested parties such as investors, tenants, employees and supervisory bodies.

Risk management objectives

The AIF Manager (a.s.r. real estate) believes that the quality and status of its risk management must be evident internally and externally and that the funds and associated responsibilities that it manages must be accounted for.
The objectives of risk management are to:

- Promote a risk management culture that enables a.s.r. real estate to make the correct assessments between risk and return for optimal value creation
- Ensure a risk framework and risk policy are implemented so that risks are managed and reported
- Issue solicited and unsolicited opinions to monitor financial solidity, manage operational processes effectively and protect the reputation of a.s.r. real estate
- Contribute to risk awareness with regard to operational risks, information security and business continuity
- Support those responsible for first line of defence risk management tasks, and in doing so fulfill the role of countervailing power
- Optimise the risk profile of a.s.r. real estate and the Fund, taking into account the objectives of the Fund (effectiveness, efficiency and economy)
- Ensure quality improvements of the management of a.s.r. real estate and the Fund
- Reduce the chance of operational losses and make better use of opportunities
- Demonstrate that the AIF Manager is 'in control'
- Ensure that all relevant risks to which the Fund is exposed can be effectively identified, mitigated, monitored and reported. In addition, support supervisory bodies in their efforts to ensure that legislation, rules and policies are observed
- Show that risk management is a 'license to operate' for the Fund and the mandate

Governance of the Fund

A Risk Committee (RC) and a Beleggingscomité (BC) have been set up within a.s.r. real estate. In addition, the Fund established an Investment Committee (IC) and a Meeting of Investors (MoI). The decisions and actions of these committees are monitored, recorded and reported.

Risk Committee (RC)

The RC assesses among other things management reports within the framework of investment restrictions and various operational risk reports. Reports relate to the progress of Strategic Risk Analysis- assessment action points, compliance issues, data protection and company continuity reviews, operational loss recordings and the Non-Financial Risk report. The RC meets once a quarter.

Beleggingscomité (BC)
The BC discusses investment, divestment and portfolio plans and deals with the frameworks for investment plans and mandates. The BC meets once every two weeks.

Investment Committee (IC)
The IC constitutes of three to five representatives of the investors in the Fund, of which the Anchor Investor is one of the representatives. The meetings are event-driven and assess/approve investment and divestments with a value exceeding € 25m and/or that are outside the mandate of the Management Company and/or that deviate from the Investment Objective & Strategy, Investment Criteria and/or Investment Restrictions. In addition, each year the IC provides a written advice on the Fund's Three Year Business Plan, to be approved in the Fund's Meeting of Investors.

Meeting of Investors (MoI)
The MoI means the Meeting of Investors in which all investors are represented. The MoI will be held as often as required, but at least one physical Meeting of Investors will be held each year. The MoI approves for example the Fund's Three Year Business Plan and the Fund's audited financial statements.

3.4 Risk management system

Strategic Risk Analysis (SRA)
The risk management system is a cyclical process of one year. It starts when the Executive Board of a.s.r. draws up the risk management strategy, which is done on a yearly basis. To help identify opportunities and threats at a strategic level, the BRM conducts an annual SRA. This strategy is then translated by the Executive Board of a.s.r. real estate into objectives for a.s.r. real estate and for the funds that it manages.

The BRM also assists the Executive Board of a.s.r. real estate in conducting an annual SRA, which ascertains the risks of new and existing objectives of the management organisation and of the investment funds.

Any policy amendments based on findings that emerge during the annual SRA are processed into the risk management policy of a.s.r. real estate and submitted to the Executive Board of a.s.r. real estate for approval.

In order to mitigate these risks, actions are identified and documented so that they can be monitored every quarter by the BRM. The BRM reports on these actions every quarter to the Executive Board and to the ERM department of a.s.r. Progress on these actions is also discussed within the RC of a.s.r. real estate.

Non-Financial Risk (NFR) report
The NFR report is monitored and reported by the Business Risk Manager and provides insight into the degree of risk management on the following categories:
- External risk;
- Operational risk;
- IT risk;
- Integrity risk;
- Legal risk; and
- Outsourcing risk.

The NFR report indicates the risk appetite of a.s.r. in relation to each of the above risks. The NFR report is jointly updated each quarter by the Legal Department, the Compliance Officer and the Head of Quality Management & Process Management of a.s.r. real estate. If necessary, the BRM recommends actions to improve risk control. The RC of a.s.r. real estate discusses and comments on the report and any proposed actions.

Properties with an increased risk
Properties with an increased risk are logged and monitored by a.s.r. real estate. The risks that are monitored include:
- Reputation risk;
- Legal risk;
- Debtors risk;
- Operational risk; and
- Tax risk.

The list is discussed each quarter in the RC and mitigating measures are taken if necessary.

Operational losses
Operational losses are analysed monthly so that causes can be investigated and improvements carried out. Operational losses must be reported.

Raising risk awareness
a.s.r. real estate strives to ensure that risk awareness is transparent and measurable throughout the organisation, embedded in procedures, and embraced by employees. This means that decision- making at all levels in the organisation must allow for the right questions to be asked in a clear way. It must also ensure that the answers to these questions lead to adequate action when appropriate. Consequently, managers at all levels are responsible for promoting risk awareness and ensuring that managers and employees know what it is to be risk aware.

Three Lines of Defense model
The Three Lines of Defense model is used within a.s.r. real estate to implement risk management. In other words, different parts and levels of an organisation play different roles in risk management. The organisation's managers are responsible for the effectiveness of standardised internal control procedures.

A number of controls designed as first line of defence are documented within a.s.r. real estate. These controls focus on data quality (master data such as property, contracts, debtors and creditors), suspense accounts and taxation (VAT). They are drawn up by the business and Finance and Risk department within a.s.r. real estate and are monitored as a first line of defence. These controls are essential for producing effective management reports.

In order to guarantee independence, risk managers and compliance officers in the second line of defence are responsible for translating the prevailing laws and rules into an internal standard framework and requirements so that the managers can monitor implementation from a supervisory role. Team IC is responsible as second line of defence for testing the ISAE key controls and report on monthly basis to the management board of a.s.r. real estate.

The third line of defence (internal audit and the depositary) gives an objectified judgement on the operation of the standards system.

The role of the depositary
The AIFMD license requires a.s.r. real estate to appoint a depositary for the funds that it manages. BNP Paribas S.A. (BNP) is the depositary for the ASR Dutch Core Residential Fund. BNP is competent to monitor real estate investment funds on the basis of laws, regulations and administrative provisions.

In the execution of their respective tasks, a.s.r. real estate and the depositary conduct themselves in a reasonable, professional, independent and trustworthy manner and in the interest of the Fund and the investors in the Fund. The role of the Fund's depositary is to:
a) Monitor cash flows, including the identification of significant and inconsistent cash flows and the reconciliation of cash flows with the administration of the Fund;
b) Ensure that the sale, issue, re-purchase, redemption, cancellation of units or shares of the Fund and valuation are carried out in accordance with the applicable national law and the fund rules or instruments of incorporation;
c) Ensure that investment transactions of the Fund are timely settled;
d) Monitor and check that the total result of the Fund is allocated in accordance with the applicable national law and the fund rules or instruments of incorporation;
e) Monitor and check that the Alternative Investment Manager ('AIF Manager') performs its investment management duties within the fund rules or instruments of incorporation.
f) Verifying asset ownership of the Fund's assets.

Supervisory bodies
a.s.r. real estate is supervised by the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). These supervisory bodies, appointed by the government, are independent and impartial institutes that guarantee the compliance of organisations with legislation and regulation.

Legal issues
Legal expertise has been guaranteed in the first and second line of defense. For its first line of defense, a.s.r. real estate has a Legal Department that has specific knowledge of real estate and of setting up and managing funds.

This department also checks the activities of the business as a second line of defense. The objectives of the Legal Department are providing legal advice and managing legal risks.

Compliance
The Compliance Department is a subsection of the Integrity Department within a.s.r. The aim of the Compliance Department is to promote and monitor the proper management of the business and to protect the reputation of a.s.r. and its labels. There is a dedicated Compliance Officer for a.s.r. real estate.

The Compliance Officer of a.s.r. real estate is responsible for:
1 Designating a member of the management team who is responsible for compliance issues on behalf of the AIF Manager and the funds;
2. 'Translating' (written) policy concerning rules at a.s.r. level into a format suitable for a.s.r. real estate and ensuring its implementation;
3. Managing compliance risks at a.s.r. real estate level;
4. Monitoring compliance with all relevant rules;
5. Taking and implementing (new) control measures regarding identified compliance shortcomings within a.s.r. real estate;
6. Producing periodic reports on compliance risks and the compliance with rules in co-operation with the Compliance Department; and
7. Ensuring the adequate provision of information and training to employees concerning the application of relevant rules and procedures.

Compliance report
Every quarter the Compliance Officer of a.s.r. real estate reports to a.s.r. and its subsidiaries on compliance matters and the progress of relevant action points. The quarterly report is submitted to the Executive Board of a.s.r. real estate and discussed separately with members of the Executive Board of a.s.r. The report is then presented to the Audit and Risk Committee. In effect, the Compliance Officer reports directly to the Executive Board and/or the Audit and Risk Committee.

The quarterly report outlines:
1. Pursued compliance policy and the way in which this policy has been conducted;
2. Findings from the monitoring of activities, and the follow up and effectiveness of control measures taken;
3. Any compliance incidents; and
4. Relevant developments concerning rules.

The Compliance Officer also draws up the quarterly business reports and acts as a consultant for the sale and purchases processes of any property selected by a.s.r. real estate.

Guaranteeing the independence of the compliance function
In order to guarantee the independent position of the Compliance Officer and to be able to operate autonomously, the following measures have been taken:

The Compliance Officer of a.s.r. real estate has, in addition to the direct reporting obligation to the Chair of the Executive Board, a formal reporting obligation to the Chair of the Audit & Risk Committee and, if compliance matters need to be escalated, to the CEO of a.s.r. real estate.

Internal audit
Audit a.s.r. is the internal audit department of a.s.r. It acts as a third line of defense by appraising independently the quality of the organisation's management and its processes and by making solicited and unsolicited recommendations for improving the organisation's management and its processes. Audit a.s.r. reports its findings to the CEO of a.s.r. and to the Audit Committee (AC) of the Supervisory Board of a.s.r. It conducts audits on various processes, projects or topics regularly within a.s.r. real estate.

AIF Manager's declaration
At the beginning of 2024, the Executive Board of the Manager issued a management control statement on risks in the financial reports and the risk management model (including compliance risk) at the AIF Manager. The Executive Board is responsible for sound risk management and effective internal control systems.

3.5 Specific financial risks in respect of direct real estate

These risks and the approach that the AIF Manager takes in dealing with these risks are described extensively in the section on accounting principles in the notes to the financial statements.

Financial risks can be divided into several risks:
- Real estate risk;
- Rental risk;
- Market risk;
- Interest rate risk;
- Credit risk;
- Liquidity risk;
- Funding risk;
- Project risk;
- Contract risk;
- Uninsured risk; and
- General risks for the Fund.

The following describes the involved risks and applied risk management.

Real estate risk

The returns available from investments in real estate depend primarily on the amount of income earned and capital appreciation generated by the relevant properties, as well as expenses incurred. If investment properties do not generate sufficient revenues to meet expenses, including debt service if applicable and capital expenditures, the Fund's income will be adversely affected. Income from investments properties may be adversely affected by the general economic climate, local conditions such as oversupply of properties or a reduction in demand for properties in the market in which the Fund operates, the attractiveness of the properties to tenants, the quality of the management, competition from other available properties, and increased operating costs (including real-estate taxes). In addition, income from investment properties and real estate values may also be affected by factors such as the cost of regulatory compliance, interest rate levels and the availability of financing.

Investments made by the Fund are generally illiquid. The eventual liquidity of all investments of the Fund will be dependent upon the success of the realisation strategy proposed for each investment which could be adversely affected by a variety of risk factors. Realisation of the Fund's assets, for instance in connection with full redemption requests, on termination or otherwise could be a process of uncertain duration.

In addition, the Fund's income would be adversely affected if a significant number of tenants were unable to pay rent or its properties could not be rented on favourable terms. Certain significant expenditure associated with each equity investment in real estate (such as external financing costs, real-estate taxes and maintenance costs) generally are not reduced when circumstances cause a reduction in income from properties. Due to the high number of residential units which are leased to mainly individual tenants, the portfolio risk is diversified.

The report from the Management Company describes the portfolio strategy. By implementing the described strategy, the Management Company expects to mitigate the above real estate risks to an acceptable level. The Fund has a core strategy and focuses to invest in apartments and single-family houses situated in stronger economic regions and cities in the Netherlands. By diversifying both in terms of risk spread (primarily low and medium risk) and location of its assets, the Management Company expects to lower the risk profile of the portfolio.

The properties are valued by independent valuers. In 2024, the independent valuers were Dynamis, CBRE, and Capital Value. The whole portfolio is valued each quarter. Every property is valued by a full valuation once a year, and three times a year by a desktop review. The market value (fair value) of the Fund's portfolio as determined by the valuers is reflected in the financial statements, while a complete overview of all properties in the Fund's portfolio is provided in Appendix 3 of this annual report. Real estate risks that investors are exposed to can be divided in to multiple risk factors. Real estate risk can be disposed in multiple risk factors, such as rental risk, market risk and interest rate/yield risk.

Rental risk

Investors in the Fund are exposed to rental risk. Rental risk involves the risk of lettability and movements in market rents. As market rents can differ from contract rents, adjustments in rental income may occur when lease contracts terminate and new tenants take up residence in the Fund's dwellings. When properties are over-rented a risk of lower future rental income occurs. The AIF Manager continuously monitors market rents and their movements. The occupancy rate of the portfolio is considered to be high and stable. Asset managers and our property managers are in constant contact with tenants and their developments. Furthermore, the AIF Manager's organisation has a research department that analyses and reports on developments in this area. The standard lease terms state that rent must be paid in advance. In some cases a bank guarantee is required for new tenants.

Impact on change in rent (sensitivity analysis)

	Change in rental income		
	(5.0%)	0.0%	5.0%
Impact on direct return Fund	(0.2%)	0.0%	0.2%

Market Risk

Market risk relates to the impact of overall market changes on the value of assets and rental income. A decrease in market values affect capital growth. Investors need to realise that the Fund cannot protect itself fully against macro economical events.

Value development of the portfolio

The portfolio's fair values are affected by market rents and general economic developments. Lower market values affect capital growth returns. The AIF Manager carefully monitors transactions in the market and the development of the occupancy rate. The portfolio's fair value development is also monitored closely. Every quarter, the entire portfolio is valued by independent external appraisers. Properties are valued at market value and according to International Valuation Standards, recommendations of the Platform Valuers and Accountants (PTA), AIFMD and RICS standards. By diversifying both in terms of risk spread (primarily low and medium risk) and location of its assets, the Management Company expects to lower the risk profile of the portfolio.

Interest rate risk and yield risk

The Fund may use leverage in its capital structure. Therefore investors need to realise that the Fund is exposed to interest rate risk which principally arises from long-term borrowings. Borrowings issued at floating rates expose the Fund to cash flow interest rate risk. The Fund has borrowings at variable rates. With regards to leverage, interest rate risk is low as the Fund has a LTV target of 0%. Interest rate risk with regard to leverage is not hedged.
The Fund's interest rate risk is assessed continually. As at 31 December 2024 the Fund's interest rate risk is not significant.

Impact of interest rate change (sensitivity analysis)

	Change in interest rate		
	+100bps	0bps	-100bps
Impact on direct return Fund	0.0%	0.0%	0.0%

Trade and other receivables and trade and other liabilities are interest free and with a term of less than one year, so it is assumed that there is no interest rate risk associated with these financial assets and liabilities.

As the risk free interest rate and the risk premium are components of the Fund's discount rate, a change in either one of the components can have an effect on the value of assets as they are considered to be yield risk.

Furthermore, the impact of inflation rate risk and interest rate risk on valuations is measured, mitigated and monitored as part of the valuation methods.

Impact of yield change (sensitivity analysis)

	Change in yield		
	+50bps	0bps	-50bps
Impact on indirect return Fund	(11.9%)	0.0%	15.7%
Impact on direct return Fund	0.3%	0.0%	(0.3%)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. An increase of the credit risk can impact an investment in the Fund negatively. The Fund has opted not to insure against this credit risk. The Fund has adopted a policy of only dealing with creditworth counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Fund's exposure of its counterparties is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Revenues are derived from a large number of tenants, spread across geographical areas and no single tenant or group under common control contributes more than 10% of the Fund's revenues. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, a bank guarantee from tenants is obtained. Debtor's positions are monitored on a monthly basis. The standard lease terms state that rent is paid in advance. Furthermore, either a guarantee deposit or a bank or concern guarantee is required within the standard lease terms. The Fund's credit risk is primarily attributed to its rental receivable and lease receivable. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Fund's management based on prior experience and their assessment of the current economic environment.

At the reporting date there are no significant concentrations of credit risk. The carrying amount reflected in the financial statements represents the Fund's maximum exposure to credit risk for tenants. As at 31 December 2024 the debtor's position amounts to € 1.2m, 1.6% of gross rental income. The outstanding amount can be divided into the following aging categories.

Rent receivables from tenants

Rent receivables from tenants

	December 2024 (in € '000)	December 2023 (in € '000)
< 30 days	478	332
31-60 days	41	84
61-180 days	80	237
180-365 days	160	191
> 365 days	417	396
Total rent receivables from tenants	**1,176**	**1,240**
% of gross rental income	1.6%	1.7%
Total > 30 days	698	908
Provision for doubtful debt	698	578

Liquidity risk
Investors may only dispose of their Units by offering them to the Fund for redemption. Consequently Investors cannot sell and transfer their Units to a Subscriber or a third party. Disposal of Units may take place through the following methods:

(a) an Investor may request the Management Company for redemption of (part of) its Units

(b) a trade on the Secondary Market is possible whereby an Investor can reach agreement with one or more (prospective) Investor(s) on the redemption of all or part of its Units and transfer of all or part of its Undrawn Investor Commitment (if any), provided the acquiring (prospective) Investor(s) will subscribe for an equal number of Units and will assume an equal amount of the Undrawn Investor Commitment. If the Management Company accepts the Secondary Subscription Form together with a Secondary Redemption Request in respect of such trade, the Management Company will facilitate the implementation of such agreement.

The issuance and redemption of Units in respect of a trade on the Secondary Market shall not be valid or effective - and accordingly the same shall not be recognised by the Management Company - unless the prior written consent of the Management Company for such trade has been obtained.

The Fund is exposed to liquidity risk due to the illiquid nature of the portfolio assets. Liquidity risk implies that the Fund may not be able to sell a portfolio asset, for instance in connection with full redemption requests, on favorable terms.

Ultimate responsibility for liquidity risk management rests with the Management Company, which has made a liquidity risk management framework for the management of the Fund's liquidity management requirements. The Fund manages liquidity risk by maintaining adequate reserves, obtaining loan facilities if applicable by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Fund faces very low solvency risk, since 0.0% of the Fund's GAV is financed with borrowings, as at 31 December 2024.

The exposure to risk mainly relate to the obligation to finance forward acquisitions. All direct result is paid out to the investors on a quarterly basis, therefore the loan facility can be used to finance forward acquisitions. Afterwards such loan facility will be converted into new equity, to keep the equity character of the Fund. No significant events occurred in 2024.

Funding risk

The Fund may enter into loan facilities in order to finance either; the committed forward acquisitions, acquisition of new properties, short term working capital requirements or liquidity for redemptions requests. Although the use of leverage may enhance returns and increase the number of investments that can be made, it also may increase the risk of loss. This includes the risk that available funds will be insufficient to meet required payments and the risk that possible future indebtedness will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of possible future indebtedness. No significant events occurred in 2024.

Subject to the expected future trends of the interest rates and the nature of real estate, the policy of the Fund is to make use of a certain level of debt financing. The loan facility as per 31 December 2024 results in a loan-to-value ratio of 0%). The Fund wants to keep its low leverage status to support the equity character of the Fund.

Closed-end structure under AIFMD definitions

The Fund is a closed-end investment company under AIFMD definitions. This means that the Fund's capital is fixed at the initial offer. Afterwards the Fund may issue new units, or purchase existing units, but this is neither an obligation of the Fund nor a right of the unit holders. No significant events occurred in 2024.

Project risk

Since some may qualify planned activities of the Fund as 'activities that exceed normal asset', a separate ASR Dutch Core Residential Projects B.V. was set up. Corporate income tax is paid to the tax authorities. The Project BV carries out tasks exclusively for the Fund. To this end, an agreement (Real Estate Project Agreement, dated 6 September 2016, amended and restated 16 June 2020) was arranged between a.s.r. real estate and the Fund in which a.s.r. real estate appoints ASR Dutch Core Residential Projects B.V. to perform certain projects.

The Fund may undertake maintenance, renovation and/or extension of an asset or invest in an asset that requires maintenance, renovation and/or extension prior to acquiring the asset either by itself or through ASR Dutch Core Residential Projects B.V. The Fund may invest in maintenance, renovation and/or extension which include several risks. Such risks include, without limitation, risks relating to the availability and timely receipt of planning and other regulatory approvals. Before such work needs to be performed, there are procedures to overcome the risks associated with these projects. After a significant analysis for each investment project, it is decided whether such activity should be performed by either the Fund directly or ASR Dutch Core Residential Projects B.V., to mitigate the risk of losing the tax status of the Fund. In case ASR Dutch Core Residential Projects B.V. should perform the project, the Fund gives a formal appointment to ASR Dutch Core Residential Projects B.V. to carry out the requested work. If ASR Dutch Core Residential Projects B.V. performs the work, an arm's length remuneration is paid by the Fund for the applicable project.

As the Fund may invest in maintenance, renovation and/or extension, it will be subject to the risks normally associated with such activities. Such risks include, without limitation, (i) risks relating to the availability and timely receipt of planning and other regulatory approvals, (ii) the cost, quality and timely completion of construction (including risks beyond the control of the Fund, such as weather or labor conditions or material shortages, or discovery and legally required preservation work of archaeological or historic sites), (iii) general market and lease-up risk such as inability to rent or inability to rent at a rental level sufficient to generate profits, (iv) cost overruns and (v) the availability of both construction and permanent financing on favorable terms. A license is usually required to commence construction of a project. There can be no guarantee when and if such licenses will be obtained.

These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of refurbishment activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Fund and on the amount of funds available for distribution or redemption. No significant events occurred in 2024.

Contract risk
Contract risk is defined as the Fund's exposure to the probability of loss arising from the tenants reneging on the contract. The probability of loss arising from failure in contract performance by contractors, vendors or any other third party is mitigated by the AIF Manager's risk management framework on outsourcing risk. In summary a.s.r. real estate only deals with competent parties that understand our business needs and regulatory requirements and we remove poor or perverse incentives from our contracts as integrity is a key asset to our reputation. Any outsourcing partner is contractually obliged to verifiably provide the level of operational excellence serving time to market flexibility and quality consistency, (data) integrity, and business continuity at a cost that is a benefit to our clients. No significant events occurred in 2024.

Uninsured risk
Although it is intended that the investments (to be) made by the Fund will have the benefit of insurance cover against risks such as fire and/or accident and liabilities to third parties, there are certain types of losses that are uninsurable or not generally insured against because it is not economically feasible to insure against such losses. Examples of losses that are generally not insured against include war or acts of terrorism and certain natural phenomena such as tornados, earthquakes, flooding and any other natural disasters. Any such event will adversely impact the value of the property. No significant events occurred in 2024.

General risks for the Fund
Certain fund characteristics entail risks for the Fund and subsequently for its investors. The Fund is a fund for joint account (fonds voor gemene rekening) under Dutch law. This means that for the purposes of Dutch law the Fund is not a legal entity (rechtspersoon), but is a contractual arrangement sui generis between the Management Company and the Legal Owner, subject to the terms and conditions that relate to the Fund and the parties involved (such as the Management Company, Investors and the Depositary) included in the Fund Agreement (reference is also made to the Governance chapter of this Prospectus). The Fund Agreement expressly states that the Fund does not constitute or qualify as a partnership (maatschap), general partnership (vennootschap onder firma) or limited partnership (commanditaire vennootschap) and is not deemed to constitute a cooperation agreement (samenwerkingsovereenkomst) among the Management Company, the Legal Owner and the Investors, or among the Investors within the meaning of Dutch law. Any obligation of an Investor to make contributions to the Fund only creates an obligation between that individual Investor and the Legal Owner. Consequently, neither the Management Company nor the Investors shall be deemed to be partners (maten/vennoten) in the Fund. On that basis, the Fund seeks to limit the liability of each Investor to the amount of their investment. It should be noted that the Dutch Supreme Court (Hoge Raad) ruled that in certain circumstances a fund for joint account (fonds voor gemene rekening) may be considered to be a partnership (maatschap) with the effect of imposing joint or several liability on each of the partners (depending on the type of partnership), which includes the Investors. This could be the case when the FGR is structured or behaves in such a way that, from a material point of view, the Fund should be qualified as a partnership (maatschap). The AIF Manager and the Management Company have taken all actions to prevent the Fund from qualifying as a partnership but cannot rule out any risks in this respect. No significant events occurred in 2024.

3.6 Other risks

The most significant risks that remain are explained below.

Strategic risk

The risk that the Fund's objectives are not achieved because of the management's poor decision- making, incorrect implementation and/or insufficient response to changes in the environment. Strategic risk can arise, for example when a strategy does not anticipate all threats and opportunities in the market or when insufficient resources are made available to pursue the strategy effectively.

The AIF Manager mitigates strategic risk by drawing up a Three Year Business Plan every year. By doing so, market opportunities and threats are analysed and amendments are made to the policy, if necessary. This business plan is to be approved each year by the Fund's Meeting of Investors.

Sustainability risk

Sustainability risks in real estate investments arise when market conditions change and have a negative impact on the future letting potential and marketability if no action is taken. Risk factors can be deemed to include climate change, demographic change, technological and scientific change but also a change of values, lifestyles and resulting tenant needs, as well as an increasing sense of responsibility towards the environment and health/wellbeing. The Fund has also defined four climate risk factors – heat, flooding, drought and extreme weather – which could increasingly affect the portfolio if resilience to climate change is not sufficiently taken into account.

The main sustainability risks for the sustainability targets will be mitigated in accordance with the other fund objectives by an integrated risk management system based on a risk control matrix and enterprise risk management. The Fund has incorporated sustainability targets in its ESG policy. In 2024 most ESG KPIs were met.

Maintaining the Fund's tax status

The risk of losing the status as a tax transparent fund for joint accounts for Dutch corporate income tax purposes and for dividend withholding tax purposes. The Dutch tax authorities have confirmed the transparency of the Fund for corporate income tax and Dutch dividend withholding tax purposes. In order to maintain its tax status, no development activities should take place in the Fund. The AIF Manager continuously monitors its forward acquisitions. No significant events occurred in 2024.

Country risk

The Fund solely holds investments in the Netherlands. Returns achieved on these investments are likely to be materially affected by the general economic, political and social conditions in the Netherlands or by particular conditions within the Dutch real estate market or fund industry. In particular, changes in landlord/tenant and planning law could materially affect the investment returns. Market institutions and regulation are important for the residential market. Different types of government intervention, such as supply regulation and the protection of tenants may have an adverse effect on the profitability of the Fund. Taxes, subsidies and legislation on the residential market affect the performance of residential property investments as well. A.s.r. real estate has a Research department to closely monitor the developments that are relevant for the property markets in which the Fund operates. No significant events occurred in 2024.

Risk of acquisition failing to meet expectation

In accordance with the investment strategy of the Fund, the Fund intents to acquire properties to the extent that they can be acquired on advantageous terms and meet certain investment criteria. Acquisitions of such properties entail general investment risk associated with any real estate investment, including the risk that investments will fail to perform in accordance with expectations or that estimates of the costs of refurbishments to bring acquired Portfolio Assets up to the Fund's standards may prove inaccurate. To mitigate this risk the Fund relies on the professional judgment of the members of the Investment Committee and of the Risk Committee. No significant events occurred in 2024.

Dossier, information and consultancy risks

Reports upon which the Fund may rely whilst carrying out due diligence regarding (new) investments may contain inaccuracies or deficiencies due to limitations on the scope of inspections or technologies used in producing such reports. Moreover, statutory or negotiated representations and warranties made by the sellers of properties that the Fund acquires may not protect against liabilities arising from property defects. The seller may make contractual representations and warranties however the Fund may not be able to negotiate for such representations or warranties, and accordingly the Fund may be unable or limited in an ability to bring a claim against the initial seller under any such representations or warranties. The Fund's ability to enforce claims under representations and warranties may also be subject to contractual and statutory limitations, including with respect to properties purchased from an insolvent owner. The initial owner's financial condition and the fact that the Fund may only be able to assert a claim against a limited liability special purpose entity with immaterial assets in the case where the seller of a property is a special purpose entity, may also limit the Fund's protection under statutory and contractual warranty obligations. These factors limiting the Fund's ability to assert or enforce statutory or contractual warranty obligations could leave the Fund without recourse to third parties for potentially significant liability for property defects. No significant events occurred in 2024.

Concentration Risk

The Fund solely invests in residential properties in the Netherlands. The geographic investment focus increases the risk exposure to any factors having an impact on the residential sector in these areas. This risk factor is mitigated by establishing fifteen focus areas. Within the strategy concentration risk is further mitigated by diversifying asset types such as apartments, single family houses and different types of tenants. The Fund acted in line with the terms and restrictions in 2024.

Relative performance risk

Relative performance risk is the risk that the Fund's results fall behind its targets and, as a result, investors decide to sell the Fund's certificates and/or new investors do not want to join the Fund. This risk is mitigated by comparing the Fund's performance to its targets on a quarterly basis and by holding asset managers accountable and directing them if necessary.

Valuation Risk

The value of the Portfolio Assets is inherently subjective due to the individual nature of each Asset. The value depends on various circumstances, which may change over time and that may not be in the Fund's control. As a result, valuations are subject to uncertainty. The valuation of the Portfolio Assets depends on the valuation methods used. The value of the assets in the portfolio is determined by market value. The market value property valuations will be prepared in accordance with the generally accepted international valuation standards, currently regarded to be the RICS Valuation Standards, (the 'Red Book'). These standards are in line with IAS and IFRS. There can be no assurance that valuations of Portfolio Assets will be reflected in actual sale prices even where any such sales occur shortly after the relevant valuation date. Furthermore, if a revaluation of Portfolio Assets at any time shows decreases in the value of the Portfolio Assets compared to previous valuations, the Fund will incur revaluation losses with respect to these Portfolio Assets. To assure the proper fair value for the Assets is reflected in the Financial Statements the Fund relies on independent valuers. In order to further mitigate the valuation risk the Fund has assigned three independent valuers who will be replaced after a maximum assignment period of three years. Over a three years period (twelve quarters) every property will have one full valuation, two reappraisals and nine desktop updates. The valuers did not make any claims about material uncertainty in 2024.

Operational risk

Operational risk is the risk that errors are not observed in a timely manner or that fraud can take place as a result of the failure or inadequacies of internal processes, human and technical shortcomings, and unexpected external events. The AIF Manager has, as described above, an extensive risk management framework to mitigate operational risk. For quantitative analysis (if relevant), we refer to the risk management paragraph in Note 3 of the annual report. No significant events occurred in 2024.

Risk factors on asset management and property management
Sustainability is an absolute prerequisite. The Fund therefore acts as an active asset manager and property manager, closely monitoring the technical quality, readiness and representation level of the properties to assure the value of the real estate assets in the portfolio to its users. As properties age they require greater maintenance and refurbishment costs. Numerous factors, including the age of the relevant building, the materials and techniques used at the time of construction or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment, modernisation and decontamination required to remove and dispose of any hazardous materials (e.g. asbestos). If the Fund does not carry out maintenance and refurbishment activities with respect to its properties, these properties may become less attractive to tenants and the Fund's rental income may decrease, affecting the results and financial condition of the Fund. Assets in which the Fund invests may have (hidden) design construction or other defects or problems which may require additional significant expenditure despite due diligence investigations prior to acquisition by the Fund. No significant events occurred in 2024.

Continuity risk
Continuity risk is the risk that the management organisation discontinues as a result of, for example, bankruptcy or failing IT systems. In such situations the agreements with principals can no longer be carried out. The Fund believes that its success will depend partly upon the skill and expertise of the Fund's management team and there can be no assurance that such individuals will continue to be employed by or represent such entities or to provide services to the Fund. Changes in the staffing of the Fund's management team (such as the leave of a Key Man or another important individual connected to the management of the Fund) may therefore have an adverse effect on the profitability of the Fund. This risk is mitigated by maintaining service level agreements with subcontracting partners, drawing up and maintaining the business continuity plan, and pursuing a data protection policy.
No significant events occurred in 2024.

Financial reporting risk
Financial reporting risk is the risk that erroneous reports present an inaccurate representation of the Fund's financial situation. The quality of the Fund's financial reports is guaranteed by the performance of periodic internal and external audits. The procedures for financial reporting have been documented, and internal audits take place on the basis of samples and ad hoc inspections. No significant events occurred in 2024.

Safety, Health, Environmental risk issues (SHE risk)
As is the case with any holder of property investments, the Fund would assume all ownership rights and liabilities relating to its acquired Portfolio Assets and could face substantial risk of loss from environmental claims based on environmental problems associated with such Asset, as well as from occupational safety issues and third party liability risks. Despite due diligence, environmental liabilities in relation to the asset in which it intends to invest may not be ascertainable or fully ascertained prior to acquisition and the Fund may therefore be exposed to clean-up and other remedial costs with respect to Assets it currently owns or owned in the past. The cost of any remedy and the owner's liability for such remediation work in relation to any affected Portfolio Asset may not be limited under the applicable environmental laws and could exceed the value of the Portfolio Assets. Further, the presence of hazardous substances or the failure to properly remedy contamination from such substances may adversely affect the Fund's ability to sell the relevant Portfolio Asset and may also affect their ability to borrow using the affected Portfolio Asset as collateral. Furthermore contaminated Portfolio Assets may experience decreases in value. No significant events occurred in 2024.

Legislation and regulation risk
Legislation and regulation risk is the risk that changes to laws and regulations will influence the results of the Fund. The AIF Manager cannot influence or change amendments to legislation and regulation. However, such risk can be mitigated by anticipating upcoming (possible) amendments in a timely manner. The AIF Manager has designated a Compliance Officer who is charged with supervising the Fund's compliance with legislation and regulation.

A wide variety of laws and regulations apply to the Dutch (residential) real estate market. The Fund continuously monitors regulatory developments, in order to ensure compliance with the latest standards and regulations. Failing to do so could have the following implications:
- The Fund might suffer reputational damage if it is unable to implement new requirements promptly.
- Fines and legal action may be imposed on the Fund if it is unable to implement new requirements promptly.

Regulation risk also concerns the risk that the AIF Manager does not retain its AIFMD license, in the case of its not complying with license obligations. The AIF Manager strictly adheres to license obligations and actively monitors changes in AIFMD regulation and guidelines in order to mitigate this risk.

The proposed 'Wet betaalbare huur' and changes for the WWS has a minor impact in the short term, however, it could impact rental income of the Fund in the long run.

Tax and legal risk
Any changes to (the interpretation of) fiscal or other legislation and regulations may have a positive or negative effect on the tax position of the unitholder. Yields can be influenced by an incorrect legal or fiscal assessment. This risk is mitigated by obtaining, when necessary, advice from external tax advisors and lawyers of reputable organisations.

Integrity risk
Integrity risk is the risk that the unethical behaviour of employees, internal managers and business partners can damage or prevent the realisation of the Fund's objectives and yield. These risks are monitored by the Compliance Department by ensuring adherence to the following policies:
- Whistleblower policy: The Whistleblower policy of a.s.r. real estate conforms to the objective of guaranteeing the confidence in and the reputation of a large organisation in sound corporate governance.
- Incident management: The management of a.s.r. real estate is responsible for the sound internal management of the company's procedures. The Operational Incidents policy is a component of the Integrated Risk
- Management framework.
- Customer Due Diligence policy (CDD): The aim of the CDD policy of a.s.r. real estate is to create an internal control environment that gathers sufficient knowledge of the customer in order to mitigate the risk of reputational and financial damage. Part of the CDD policy is the annual Systemic Risk Analysis (SIRA). The SIRA is performed in accordance with the Dutch Central Bank's SIRA policy in order to identify potential integrity risks.
- Pre-employment screening (PES): a.s.r. real estate screens all new employees. The screening comprises an internal and external test. Employees applying for an integrity-sensitive position are subject to additional screening. Employees are recruited only if they pass the screening. No significant events occurred in 2024.

Depositary risk
The Fund's Depositary will be liable to the Fund for losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under such agreement and under the relevant rules and regulations under and further to the AIFMD, in accordance with the requirements and limitations of Book 6 of the Dutch Civil Code (Burgerlijk Wetboek). Consequently, there are risks as a result of insolvency, negligence or fraudulent actions of the Depositary. This risk is mitigated by the risk appetite of the Fund. The Fund will only accept a financially solid depositary that is of excellent reputation. Next to the performance with regard to the depositary's AIFMD obligations, the financial stability and integrity of the depositary is monitored by the AIF Manager on a quarterly basis. The Depositary will not be liable for losses which are the result of circumstances or events for which the Depositary is not liable within the meaning of Article 6:75 of the Dutch Civil Code (Burgerlijk Wetboek). This risk is mitigated by the internal control system of the AIF Manager. No significant events occurred in 2024.

Custody risk
The Legal Owner shall hold legal title (juridisch eigendom) of the Assets on behalf of the Fund. Consequently, there are risks as a result of insolvency, negligence or fraudulent actions of the Legal Owner. These risks are limited and mitigated by the fact that the Legal Owner has no activities other than acting as the legal owner of the assets of the Fund. Furthermore, the Legal Owner's balance sheet strength and liquidity position is constantly monitored by the AIF Manager. No significant events occurred in 2024.

4 Critical judgements and estimates in applying the Fund's accounting policies

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

4.1 Judgements

In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Leases
The Fund applied the following judgements that significantly affect the determination of the amount and timing of income from lease contracts:

Determination of the lease term
The Fund determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.
As a lessor, the Fund enters into lease agreements that contain options to terminate or to extend the lease. These options are generally exercisable after an initial period of 1 year. At commencement date, the Fund determines whether the lessee is reasonably certain to extend the lease term, or not to terminate the lease.
To make this analysis, the Fund takes into account any difference between the contract terms and the market terms, any significant investments made by the lessee in the property, costs relating to the termination of the lease and the importance of the underlying asset to the lessee's operations. In many cases, the Fund does not identify sufficient evidence to meet the required level of certainty.

As a lessee, the Fund has a limited number of lease contracts, that are classified as right of use assets.
See Note 2.6 (b) for the accounting policy on the lease contracts that are classified as right of use assets.

Property lease classification – the Fund as lessor
The Fund assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases in which the Fund does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. See Note 2.6 (a) for the accounting policy on the lease contracts that are classified as operating leases.

Consolidation and joint arrangements
The Fund has determined that it controls and consolidates the subsidiaries in which it owns a majority of the shares.

Grotiusplaats Den Haag C.V.
The Fund is a part owner of Grotiusplaats Den Haag C.V., in which the Fund has a 50% ownership interest.
The Fund has determined that it has joint control over the investee and the ownership is shared with the other 50% owner. The joint arrangement is separately incorporated. The Fund has, after considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and the Fund's rights and obligations arising from the arrangement, classified its interests as joint ventures under IFRS 11 Joint Arrangements. As a consequence, it accounts for the investment using the equity method. Summarised financial information of the joint venture, based on their IFRS reporting, and reconciliation with the carrying amount of the investment in financial statements are set out in Note 13.

Grotiusplaats Den Haag Beheer B.V.
The Fund is a part owner of Grotiusplaats Den Haag Beheer B.V., in which the Fund has a 50% ownership interest. The Fund has determined that it has joint control over the investee and the ownership is shared with the other 50% owner. The joint arrangement is separately incorporated. The Fund has, after considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and the Fund's rights and obligations arising from the arrangement, classified its interests as joint ventures under IFRS 11 Joint Arrangements. As a consequence, it accounts for the investment using the equity method. Summarised financial information of the joint venture, based on their IFRS reporting, and reconciliation with the carrying amount of the investment in financial statements are set out in Note 13.

ASR Dutch Core Residential Projects B.V.
The financial statements include the financial statements of the Fund and its subsidiary Project BV, in which the Fund has an 100% equity interest. The financial impact of the Project BV in the Fund's financial statements is not significant and therefore the financial statements of the Fund are an actual reflection of both the consolidated and the separate financial statements.

4.2 Estimates and assumptions

The assets of the Fund mainly consist of the investment portfolio. The market value of these assets cannot be assessed using quotations or listings. A valuation based on fair value is a time- and place-based estimate. The fair value is based on a price level on which two well informed parties under normal market conditions would make a transaction for that specific property on that date of valuation. The fair value of a property in the market can only be determined with certainty at the moment of the actual sale of the property.

An external valuer bases his fair value valuations on his own market knowledge and information. The valuation made by the valuer is verified by the asset managers of a.s.r. real estate. The fair value is based on net yield calculation, where market rents are capitalised and normative property expenses (such as maintenance costs, insurance and expenses) are deducted. The yields are specific for the location, asset type of the property, the level of maintenance and the general lettability of every single property.

Apart from assumptions regarding to yields and market rents, several other assumptions are taken into account in the valuations. Assumptions for the costs of vacancy, incentives and the differences between market rent and contract rents are included in the valuations. Finally, sales costs at the expense of the buyer, including transfer tax, are deducted from the market value.

For an overview of the of the impact of a yield shift, we refer to Note 11.

5 Gross rental income

Gross rental income

For the year	2024	2023
Theoretical rental income	78,672	73,260
Vacancy	(1,499)	(1,304)
Straight lined rent incentives	(12)	(35)
	77,161	**71,921**

Net rental income

For the year	2024	2023
Gross rental income	77,161	71,921
Service charge income	3,591	3,479
Service charge expenses	(3,591)	(3,479)
Property-specific costs	(21,769)	(18,266)
	55,392	**53,655**

For quantitative analysis on gross rental income we refer to page 35.

6 Property-specific costs

Property-specific costs

For the year	Notes	YTD 31 December 2024	YTD 31 December 2023
Maintenance		11,314	9,160
Marketing costs		1,628	1,366
Non-recoverable service costs		81	68
Property insurance		819	804
Property management fees		3,081	2,872
Provision for doubtful debt	14	235	166
Taxes		2,794	2,527
Other property-specific costs		1,817	1,303
		21,769	**18,266**

For quantitative analysis on property specific costs we refer to page 35. All direct operating expenses (including repair and maintenance) relate to investment properties that generated rental income during the period.

7 Fund expenses

Fund expenses

For the year	YTD 31 December 2024	YTD 31 December 2023
Administration and secretarial fees	270	186
Audit fees	127	121
Bank charges	10	11
Depositary fees	150	150
Publication fees	48	48
Valuation fees	351	372
	956	**888**

8 Management fees

Management fees

For the year	Notes	YTD 31 December 2024	YTD 31 December 2023
Asset management fee		8,642	8,411
Management Fee Grotiusplaats	13	126	80
Management Fee Compensation Grotiusplaats	13	(126)	(80)
Asset management fee		**8,642**	**8,411**
Fund management fee		1,024	1,006
Fund management fee		**1,024**	**1,006**
		9,666	**9,417**

9 Finance result

Finance result

For the year	YTD 31 December 2024	YTD 31 December 2023
Interest income	1,098	1,003
Interest costs	(45)	(51)
Finance result	**1,053**	**952**

10 Result on sales

Result on sales

For the year	YTD 31 December 2024	YTD 31 December 2023
Net proceeds of sales	107,815	9,624
Minus historical costs of properties sold	55,533	3,603
Realised gains on historical costs	**52,282**	**6,021**
Minus cumulative changes in fair value of properties sold	50,837	2,655
	1,445	**3,366**

11 Investment properties in operation, under construction and held for sale

The following table analyses the Fund's investment properties for the year ended at 31 December 2024:

Investment properties for the year ended at 31 December 2024

Segment	Multi Family			Single-family			Other			Total
Class	In operation	Under construction	Held for sale	In operation	Under construction	Held for sale	In operation	Under construction	Held for sale	
Fair value hierarchy	3	3	3	3	3	3	3	3	3	
2024										
Balance as at the beginning of the period	**1,205,030**	**166,306**	**-**	**447,127**	**-**	**745**	**31,319**	**7,749**	**-**	**1,858,276**
Movements										
- Transfer from Investment properties under construction	240,794	(240,794)	-	-	-	-	11,403	(11,403)	-	-
- Transfer to Investment properties held for sale	-	-	-	(277)	-	277	-	-	-	-
- Segment reclass	1,269	192	-	-	-	-	(1,269)	(192)	-	-
- Investments	(337)	110,512	-	4,070	-	-	2,837	2,756	-	119,838
- Capitalised rent incentives	-	-	-	-	-	-	39	-	-	39
- Positive changes in fair value	116,673	25,613	-	42,880	-	-	1,331	2,524	-	189,021
- Negative changes in fair value	(19,836)	(17,967)	-		-	-	(1,726)	(135)	-	(39,664)
- Divestments	(68,847)	-	-	(36,796)	-	(745)	-	-	-	(106,388)
Balance as at the end of the period	**1,474,746**	**43,862**	**-**	**457,004**	**-**	**277**	**43,934**	**1,299**	**-**	**2,021,122**
- Historical costs	1,109,718	41,561	-	264,923	-	277	37,658	1,283	-	1,455,420
- Cumulated capitalised rent incentives	-	-	-	-	-	-	39	-	-	39
- Cumulated changes in fair value	365,028	2,301	-	192,081	-	-	6,237	16	-	565,663
Balance as at the end of the period	**1,474,746**	**43,862**	**-**	**457,004**	**-**	**277**	**43,934**	**1,299**	**-**	**2,021,122**

The following table analyses the Fund's investment properties for the year ended at 31 December 2023:

Investment properties for the year ended at 31 December 2023[1]

Segment	Multi Family			Single-family			Other			Total
Class	In operation	Under construction	Held-for-sale	In operation	Under construction	Held-for-sale	In operation	Under construction	Held-for-sale	
Fair value hierarchy	3	3	3	3	3	3	3	3	3	
2023										
Balance as at the beginning of the period	**1,257,244**	**237,955**	**-**	**486,390**	**-**	**768**	**12,653**	**-**	**-**	**1,995,010**
Movements										
- Transfer from Investment properties under construction	90,413	(90,413)	-	-	-	-	1,439	(1,439)	-	-
- Transfer to Investment properties held-for-sale	-	-	-	(745)	-	745	-	-	-	-
- Segment reclass	(14,120)	(9,567)	-	(650)	-	-	14,770	9,567	-	-
- Investments	-	65,215	-	8,670	-	-	2,833	2,163	-	78,881
- Positive changes in fair value	1,104	1,651	-	2,292	-	-	1,885	820	-	7,752
- Negative changes in fair value	(124,909)	(38,535)	-	(48,041)	-	-	(2,261)	(3,362)	-	(217,108)
- Divestments	(4,702)	-	-	(789)	-	(768)	-	-	-	(6,259)
Balance as at the end of the period	**1,205,030**	**166,306**	**-**	**447,127**	**-**	**745**	**31,319**	**7,749**	**-**	**1,858,276**
- Historical costs	894,108	185,421	-	277,727	-	745	24,995	8,122	-	1,391,118
- Cumulated changes in fair value	310,922	(19,115)	-	169,400	-	-	6,324	(373)	-	467,158
Balance as at the end of the period	**1,205,030**	**166,306**	**-**	**447,127**	**-**	**745**	**31,319**	**7,749**	**-**	**1,858,276**

All the investment properties are valued as at 31 December 2024 by independent professional valuers. Valuations are based on current prices on an active market for all properties.
The carrying values of investment property at 31 December 2024 and 31 December 2023 agree to the valuations reported by the external valuers. The investment properties under construction are recognised at their initial cost. If a market value is not available, the investment properties under construction is stated at cost. This includes cost of construction, equipment, non-refundable purchase taxes, development fee and any attributable costs of bringing the asset to its working condition and location for its intended use.
The assets are presented as held-for-sale following the decision of the Fund's management. One asset has been delivered in January 2025.

1 The 2023 figures have been restated, now all parking spaces as well as commercial spaces are categorised as "Other".

The following table analyses investment properties carried at fair value, by valuation method. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement.

Changes in Level 2 and 3 fair values are analysed at each reporting date. There were no transfers between levels 1 and 2 during the year.

The Fund's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. All the investment properties of the Fund are classified as Level 3. For Residential and Other valuations, the significant inputs are the discount rate and market rental value. These inputs are verified with the following market observable data:

- Market rent per sq.m. for renewals and their respective re-letting rates;
- Reviewed rent per sq.m.;
- Investment transactions of comparable objects.

Sensitivities in yield and rental value

2024	Unobservable inputs used in determination of fair value						Sensitivities in yield and rental value (in € '000)			
								Change in rental value		
Investment properties in operation	Fair value 31 Dec 2024	Valuation technique	Theoretical rental value (in € '000)		Gross initial yield (in %)		Change in yield	-5%	0%	+5%
Netherlands -			3,206	max	5.1%	max	-5%	-	77,618	155,236
Apartments -	1,474,746	DCF	728	mean	4.4%	mean	0%	(73,737)	-	73,737
Level 3			12	min	3.8%	min	+5%	(140,452)	(70,226)	-
Netherlands -			1,460	max	5.3%	max	-5%	-	24,067	48,135
Single-family houses -	457,281	DCF	528	mean	4.3%	mean	0%	(22,864)	-	22,864
Level 3			30	min	3.7%	min	+5%	(43,551)	(21,775)	-
Netherlands -			241	max	9.7%	max	-5%	-	2,312	4,625
Other -	43,934	DCF	73	mean	5.3%	mean	0%	(2,197)	-	2,197
Level 3			14	min	1.9%	min	+5%	(4,184)	(2,092)	-
	1,975,961									

2023[1]	Unobservable inputs used in determination of fair value						Sensitivities in yield and rental value (in € '000)			
								Change in rental value		
Investment properties in operation	Fair value 31 Dec 2023	Valuation technique	Theoretical rental value (in € '000)		Gross initial yield (in %)		Change in yield	-5%	0%	+5%
Netherlands -			3,090	max	5.1%	max	-5%	-	63,423	126,845
Apartments -	1,205,030	DCF	620	mean	4.5%	mean	0%	(60,251)	-	60,251
Level 3			104	min	3.8%	min	+5%	(114,765)	(57,382)	-
Netherlands -			1,394	max	4.9%	max	-5%	-	23,572	47,144
Single-family houses -	447,872	DCF	484	mean	4.5%	mean	0%	(22,394)	-	22,394
Level 3			130	min	4.0%	min	+5%	(42,655)	(21,327)	-
Netherlands -			218	max	9.6%	max	-5%	-	1,648	3,297
Other -	31,319	DCF	61	mean	5.3%	mean	0%	(1,566)	-	1,566
Level 3			14	min	4.2%	min	+5%	(2,983)	(1,491)	-
	1,684,221									

1 The 2023 figures have been restated: rent is now based on theoretical rent and assets under construction are not included.

Valuation processes
In order to determine the fair value of the Fund's investment properties, all investment properties are valued on a quarterly basis by independent and qualified/certified valuers. The valuers are selected based on their experience and knowledge of the residential property market. Every three years a rotation or change in valuers takes place.

The fair value is determined in accordance with the following standards:
- RICS Valuation Standards, (the 'Red Book');
- The Alternative Investment Fund Managers Directive (AIFMD), in accordance with Directive 2011/61/EU dated 8 June 2011 and a supplement dated 19 December 2012; and
- The 28 recommendations of the Platform Taxateurs en Accountants as stated in the publication 'Goed gewaardeerd Vastgoed' dated 27 May 2013.

The Management Company provides the professional valuers with the required and necessary information, in order to conduct a comprehensive valuation. At least once a year a full valuation is carried out and three times a year a market update. For all investment properties, the current use equates to the highest and best use.

The finance and risk department of the AIF Manager (a.s.r. real estate) coordinates the valuation process and analyses the quarterly movements in valuations together with the asset managers. All movements higher than 5% or lower than -5% are discussed and fully explained by the valuer. Every quarter the valuers, along with the asset managers and the fund director, come together and discuss the outcome of the valuations. It is the asset managers' responsibility to sign off for approval on every valuation.

There are inter-relationships between unobservable inputs. Expected vacancy rates may impact the yield with higher vacancy rates resulting in higher yields. For investment property under construction, increases in construction costs that enhance the property's features may result in an increase in future rental values. An increase in the future rental income may be linked with higher costs.

Valuation techniques underlying management's estimation of fair value
For investment properties the following method is in place to determine the fair value by the valuers for disclosure purposes:

DCF method
Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the cash flows associated with the asset. The exit yield is normally separately determined and differs from the discount rate. The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

12 Right-of-use assets
The Fund has a limited number of lease contracts, that are classified as right of use assets. As the Fund applies the fair value model for investment property, the fair value model is also applied for the right-of-use assets classified as investment property. Therefore, the lease of the land is valued at fair value through profit or loss.

Right-of-use assets

As at	31 December 2024	31 December 2023
Balance as at the beginning of the period	**927**	**1,219**
Movements		
- Negative changes in fair value	(52)	(40)
- Remeasurement	197	(252)
Balance as at the end of the period	**1,072**	**927**

13 Participations

In 2018, the Fund acquired a a 50% stake in Grotiusplaats Den Haag Beheer B.V. and a 50% interest in Grotiusplaats Den Haag C.V. ('Grotiusplaats'), a joint venture through which two residential towers ("The Roofs") in The Hague, the Netherlands, are exploited. The Fund's interest in joint ventures is accounted for using the equity method in the financial statements. This joint venture does not have a quoted market price. Summarised financial information of the joint venture, based on their IFRS reporting, and reconciliation with the carrying amount of the investment in financial statements are set out belows:

Participation Grotiusplaats Den Haag C.V.

Fund's share of profit for the period	Notes	YTD 31 December 2024	YTD 31 December 2023
Gross rental income		9,566	9,844
Property expenses		(1,516)	(1,966)
Other expenses		(15)	(80)
Result on valuation of investment property		12,334	(31,370)
Result for the year		**20,369**	**(23,572)**
Proportion of the Fund's interest		50%	50%
Fund's share of result for the period		**10,185**	**(11,786)**
Management fee compensation Grotiusplaats	8	126	40
Fund's share of result for the period (gross of fees)		**10,311**	**(11,746)**

As at	Notes	31 December 2024	31 December 2023
Current assets, including cash & cash equivalents of Grotiusplaats		6,434	8,951
Non-current assets –investment property		227,380	214,760
		233,814	**223,711**
Current liabilities including tax payable of Grotiusplaats		4,658	5,098
Non-current liabilities including long term borrowings of Grotiusplaats		597	613
		5,255	**5,711**
Equity		228,559	218,000
Proportion of the Fund's interest		50%	50%
Fund's carrying amount of the investment		**114,280**	**109,000**
Balance as at the beginning of the period		**109,000**	**120,786**
Result for the period (gross of fees)		10,311	(11,746)
Dividend distribution to Grotiusplaats Den Haag Beheer B.V. (50%)		(5)	-
Dividend distribution to ASR DCRF		(4,900)	-
Movement for the period (gross of fees)		5,406	(11,746)
Management fee Grotiusplaats	8	(126)	(40)
Movement for the period (net of fees)		**5,280**	**(11,786)**
Balance as at the end of the period		**114,280**	**109,000**

Participation Grotiusplaats Den Haag Beheer B.V.

As at	31 December 2024	31 December 2023
Balance as at the beginning of the period	-	-
Result for the period	20	-
Balance as at the end of the period	**20**	**-**

14 Trade and other receivables

Trade and other receivables

As at	31 December 2024	31 December 2023
Trade receivables		
- Rent receivables from tenants	1,176	1,240
- Service receivables	-	327
- Development deposit	1,701	-
- Other receivables	1,241	684
Less: provision for doubtful debt	(698)	(578)
	3,420	**1,673**

The fair value of receivables concerns the sum of future cash flows that are estimated to be received.

Provision for doubtful debt

Bad debt write-off relates to debtors, from which no payment is expected to be received anymore. In addition, a provision for doubtful debt is in place for receivables for which it is unclear whether they will be (fully) received.

Provision for doubtful debt

As at	Notes	31 December 2024	31 December 2023
Balance as at the beginning of the period		**578**	**531**
Movements			
- Bad debt write-off		(115)	(119)
- Addition to provision for doubtful debt	6	235	166
Balance as at the end of the period		**698**	**578**

15 Cash and cash equivalents

Cash and cash equivalents

As at	31 December 2024	31 December 2023
Cash	63,335	27,224
	63,335	**27,224**

16 Capital

A breakdown of capital is also shown in the statement of changes in capital.

Units

As at	31 December 2024	31 December 2023
Number of units as at the beginning of the period	**1,509,033**	**1,460,585**
Movements in number of units		
- Issued units closings	137,433	43,876
- Redeemed units closing	(107,766)	-
- Issue of distributable result in units	6,272	4,572
Number of units as at the end of the period	**1,544,972**	**1,509,033**

Key figures concerning capital

As at	31 December 2024	31 December 2023
Equity attributable unit holders (in € '000)	2,178,090	1,974,213
Number of units as per reporting date	1,544,972	1,509,033
Net asset value per unit (in €)	1,410	1,308

17 Lease liabilities

Lease liabilities

As at	31 December 2024	31 December 2023
Balance as at the beginning of the period	**927**	**1,219**
Movements		
- Amortised interest	45	26
- Remeasurement	197	(273)
- Lease payment	(97)	(45)
	1,072	**927**

18 Trade and other liabilities

Trade and other liabilities

As at	31 December 2024	31 December 2023
Accrued expenses	1,313	1,846
Distributable result to be paid	13,577	12,140
Management fees	2,525	2,336
Prepaid rent	894	764
Property management fee	849	746
Rent deposits	4,694	4,112
Service payables	184	-
Tax payables	51	16
	24,087	**21,960**

19 Earnings per unit

Results per unit are calculated by dividing the net result attributable to participants by the weighted average number of units outstanding during the year, 1,523,757 average units over the period year-to-date 31 December 2024 (1,488,919 average units over the period year-to-date 31 December 2023).

Earnings per unit

For the period	YTD 31 December 2024	YTD 31 Decemberr 2023
Direct result	34	32
Indirect result	102	(148)
Net result per unit	**136**	**(116)**

The Fund has no dilutive potential units; the diluted earnings per unit are the same as the basic earnings per share.

20 Contingencies and commitments

The Fund had four forward acquisitions with an original commitment of € 175.2m as at 31 December 2024. € 42.8m of this total commitment concerns settled term payments. The off-balance sheet commitment for forward acquisitions thus amounts to € 132.3m. The settled term payments and changes in fair value of forward acquisitions amounted to € 45.2m of assets under construction as at 31 December 2024.

21 Related-party transactions

The Anchor Investor, ASR Levensverzekering N.V. and ASR Schadeverzekering N.V., owns 45.9% of the Fund's units. The remaining units are widely held. The Fund has the following relationships with companies related to ASR Nederland N.V.:

- ASR Dutch Core Residential Management Company B.V. is the manager of the Fund (The ASR Dutch Core Residential Management Company B.V. has outsourced all its responsibilities to a.s.r. real estate, the Manager. Also under the AIFMD requirements a.s.r. real estate acts as the Manager of the Fund) and charges management fees to the Fund. These management fees are at arm's length;
- ASR Dutch Core Residential Custodian B.V. is the legal owner of the investment properties.

The financial statements of the Fund include the financial statements of the parent and the subsidiaries and joint ventures. The Fund's investment in subsidiaries and joint ventures are listed in the following table:

Subsidiaries and joint ventures

	Country of incorporation	2024	2023
Subsidiary			
ASR Dutch Core Residential Projects B.V.	The Netherlands	100%	100%
Joint venture			
Grotiusplaats Den Haag C.V.	The Netherlands	50%	50%
Grotiusplaats Den Haag B.V.	The Netherlands	50%	50%

See Note 13 for more information on the financial status of Grotiusplaats Den Haag C.V.

There were no other transactions carried out or balances outstanding with related parties except for distributable result (€ 10.7m) to be paid (Note 16) and the following:

Related-party transactions

For the year	Notes	2024	2023
Asset management fee	8	8,642	8,411
Fund management fee	8	1,024	1,006
Property management fee	6	3,081	2,872
		12,747	**12,289**

22 Audit fees

The following table shows the fees charged by the auditor in respect of activities for the Fund.

Audit fees

For the year	Notes	2024	2023
Audit of the financial statements	7	127	121
		127	**121**

Fees for audit of the financial statements 2024 and 2023 include fees paid for the audit of the IFRS financial statements and the IFRS NAV statement.

23 Appropriation of result

The distributable result attributable to the divestment of a portfolio asset can be allocated to reinvestments, redemption of units, or paid out to all investors. The distributable result to the investors is calculated in relation to their number of units in the Fund as per the applicable reporting date. The fourth quarter distributable result of € 13.6m was recognised as a liability as at 31 December 2024 and paid to the investors in February 2025.

24 Subsequent events

- On 2 January 2025, the Fund had its 46th closing. An existing investor contributed an amount of € 40.0m to the Fund. Another investor reallocated 200 units between two of its entities. For five investors a redemption was facilitated for a total amount of € 69.4m, with no other redemptions remaining.
- On 30 January 2025, the Fund had its 47th closing, relating to the distributable result paid in units for the fourth quarter of 2024 (€ 13.6m).
- On 1 April 2025, the Fund had its 48th closing. One existing investors made an additional contribution to the Fund for an amount of €20.0m. The Anchor Investor holds 45.4% of the units since this date.

Utrecht, the Netherlands, 7 April 2025

ASR Real Estate B.V.
On behalf of the ASR Dutch Core Residential Management Company B.V.
Dick Gort, *CEO*
Michiel Kroot, *CFRO*

Other Information

Appropriation of result

As described in clause 13 in the Fund Agreement, the distributable result which is not attributable to the divestment of portfolio assets is payable on a quarterly basis. Distributions will be made in cash, provided that:

- Investors may inform the Management Company at least one month before the end of the fiscal year that they wish to receive the distributable cash during the next fiscal year in the form of units. In which case it is at the Management Company's discretion to decide whether or not the request will be satisfied; and
- After dissolution of the Fund, any and all of the assets may be distributed to the investors.

Independent **auditor's report**

To: the meeting of investors and the manager of ASR Dutch Core Residential Fund

Report on the audit of the accompanying financial statements

Our opinion
We have audited the financial statements 2024 of ASR Dutch Core Residential Fund (hereafter the 'Fund'), based in Utrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ASR Dutch Core Residential Fund as at 31 December 2024 and of its result and its cash flows for the year 2024 in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
1 the statement of income and comprehensive income for the year 2024;
2 the statement of financial position as at 31 December 2024;
3 the statement of changes in capital and the statement of cash flows; and
4 the notes to the financial statements comprising material accounting policy information and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of ASR Dutch Core Residential Fund in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In the paragraph 'Risk management' of the annual report, the manager describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Fund and its business environment, and assessed the design and implementation of the Fund's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Fund's code of conduct, whistleblowing procedures, the SIRA and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the manager and other relevant functions, such as the Legal Counsel and Business Risk Management & Compliance. As part of our audit procedures, we:

- assessed other positions held by management of the manager and paid special attention to procedures and governance in view of possible conflicts of interest;
- inspected internal policies of the manager regarding fraud risk control (prevention, detection and response), including the design of ethical standards to create an open and honest culture;
- evaluated correspondence with supervisory authorities and regulators; and
- evaluated investigation reports on indications of possible fraud and non-compliance.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the partnership and identified the following areas as those most likely to have a material effect on the financial statements:

- the requirements by or pursuant to the Act on Financial Supervision (Wet op het financieel toezicht, Wft);
- the law on the prevention of money laundering and terrorist financing (Wwft); and

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements. Further, we assessed the presumed fraud risk on revenue recognition as irrelevant, because the Fund's main form of revenue relates to rental income which involves limited judgement as the revenue related to rental income is contractually agreed and with various individual tenants. In addition, revenue is derived from fair value movements of investment property and the capital gains/losses from sale of investment property where the sale consideration is agreed with the market participant in a legally binding agreement including third parties (like notary) and the investment property is frequently valuated by external appraisers.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, and responded as follows:

Management override of controls (a presumed risk)

Risk:
The manager is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively, such as estimates relating to the fair value of investments.

Responses:

- We evaluated the design, the implementation and tested the operating effectiveness of internal controls, as stated in the ISAE 3402 type II report of ASR Real Estate B.V., that mitigate fraud and non-compliance risks, such as processes related to journal entries.
- We performed data analysis of high-risk journal entries and post-closing adjustments. Where we identified instances of unexpected journal entries or other risks through our analysis, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We incorporated elements of unpredictability in our audit, including attending valuation meetings with external appraisals.

We communicated our risk assessment, audit responses and results to the management. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The manager has performed its going concern assessment and has not identified any going concern risks.
To assess the manager's assessment, we have performed the following procedures:

- we considered whether the manager's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we questioned the manager regarding any indicators of a going concern risk;
- we considered whether the developments effecting and within the real estate sector indicate a going concern risk;
- our analysis of the Fund's financial position, financing and operating results and cashflow as well as the Fund's environment has not identified any going concern risks. We note that the nature of the Fund's results are borne by the participants in the Fund and the extent of any present and future obligations to third parties is such that these do not affect the Fund's going concern.

The outcome of our risk assessment procedures did not give any reasons to perform additional audit procedures on the Fund's going concern assessment.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code regarding the management report and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The manager is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the manager for the financial statements

The manager is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the manager is responsible for such internal control as the manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the manager is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the manager should prepare the financial statements using the going concern basis of accounting unless the manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. The manager should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:
- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the manager;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures;
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Utrecht, 7 April 2025

KPMG Accountants N.V.

M.H.T. Hamers-Bodifee RA

The Modernist, Rotterdam

Appendices

Appendix 1:

INREV financial statements (unaudited)

The INREV guidelines have been used and material changes have been considered if applicable. The accounting principles in general, which are the basis for this annual report, are described and explained in detail in the notes on the financial statements (Note 2). A detailed discription about the principal risks and exposures incurred by the Fund is included in Note 3. According to the Fund Agreement issue and redemption requests will be calculated by usage of the INREV NAV.

In order to give Investors information on the transition from the NAV based on IFRS to the INREV NAV, also the accounts according to the INREV principles are published. The INREV NAV reflects adjustments to IFRS.

The following items are adjusted for the INREV accounts:

INREV accounts

Item	IFRS	INREV
Acquisition expenses	Directly into profit & loss account	On balance sheet and depreciated in five years
Effect of not yet distributable result recorded as a liability (not included in equity)	Recognised as a liability on balance sheet	Recognised in equity

INREV Guidelines Compliance Statement (unaudited)

The European Association for Investors in Non-Listed Real Estate Vehicles (INREV) published the revised INREV Guidelines incorporating industry standards in the fields of Governance, Reporting, Property Valuation, INREV NAV, Fee and Expense Metrics, Liquidity and Sustainability Reporting. The Assessments follow these revised guidelines.

INREV provides an Assessment Tool to determine a vehicles compliance rate with the INREV Guidelines as a whole and its modules in particular. The overall INREV Guidelines Compliance Rate of the ASR Dutch Core Residential Fund is 99%, based on 9 out of 9 assessments. The compliance rate for each completed module is:

Compliance rate per module

	Percentage
Code of Tax Conduct	97
Governance	100
Fee and Expense Metrics	100
INREV NAV	100
Liquidity	100
Performance Measurement	98
Property Valuation	100
Reporting	97
Sustainability	100

INREV fee metrics (unaudited)

Fees and expenses as a percentage of Gross Asset Value (GAV) and Net Asset Value (NAV)

For the year	2024	2023
Fund Management fee (% of NAV)	0.05%	0.05%
Asset management fee (% of NAV)	0.42%	0.42%
Maagement fees	9,666	9,417
Fund expenses (incl. amortisation)	956	888
Vihicle fees and costs before performance fees	**10,622**	**10,305**
Performance fees	-	-
Vihicle fees and costs after performance fees	**10,622**	**10,305**
Property fees and costs	21,853	18,350
Aveage INREV NAV	2,051,478	2,022,413
Aveage INREV GAV	2,062,410	2,033,911
NAV Total Global Expense Ratio (before performance fees)	0.52%	0.51%
GAV Total Global Expense Ratio (before performance fees)	0.52%	0.51%
NAV Total Global Expense Ratio (after performance fees)	0.52%	0.51%
GAV Total Global Expense Ratio (After performance fees)	0.52%	0.51%
NAV Real Estate Expense Ratio	1.07%	0.91%
GAV Real Estate Expense Ratio	1.06%	0.90%

1 The asset management fee concerns a fixed quarterly fee of € 1.9 million, or 0.42% of the average NAV for the quarter, whichever amount may be the largest.

INREV NAV calculation (unaudited)

INREV NAV calculation

		Total (in €'000)	Per share (in €)
	NAV as per the financial statements	2,178,090	1,409.79
	Reclassification of certain IFRS liabilities as components of equity		
a)	Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	-	-
b)	Effect of dividends recorded as a liability which have not been distributed (not included in equity)	13,577	8,79
	NAV after reclassification of equity-like interests and dividends not yet distributed	**2,191,667**	**1,418.58**
	Fair value of assets and liabilities		
c)	Revaluation to fair value of investment properties	-	-
d)	Revaluation to fair value of self-constructed or developed investment property	-	-
e)	Revaluation to fair value of property held for sale	-	-
f)	Revaluation to fair value of property that is leased to tenants under a finance lease	-	-
g)	Revaluation to fair value of real estate held as inventory	-	-
h)	Revaluation to fair value of other investments in real assets	-	-
i)	Recognition to fair value of indirect investments not consolidated	-	-
j)	Revaluation to fair value of financial assets and financial liabilities	-	-
k)	Revaluation to fair value of construction contracts for third parties	-	-
l)	Set-up costs	-	-
m)	Acquisition expenses	84	0,06
n)	Contractual fees	-	-
	Effects of the expected manner of settlement of sales/vehicle unwinding		
o)	Revaluation to fair value of savings of purchaser's costs such as transfer taxes	-	-
p)	Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	-	-
q)	Effect of subsidiaries having a negative equity (non-recourse)	-	-
	Other adjustments		
r)	Goodwill	-	-
s)	Non-controlling interest effects of INREV adjustments	-	-
	INREV NAV	**2,191,751**	**1,418.64**
	Distributable result (current quarter)	(13,577)	(8,79)
	INREV NAV (after distributions)	**2,178,174**	**1,409.85**
	Number of shares / units issued	1,544,972	

The INREV guidelines have been used and material changes have been considered if applicable. Specific remarks regarding the INREV guidelines are explained in more detail in the annual report. The accounting principles in general, which are the basis for this quarterly report, are described and explained in detail in the annual report.

This also applies to the analysis of the principal risks and exposures incurred by the Fund, a detailed description and explanation is included in the annual report. Also, the explanatory notes regarding the assumptions for determination of fair value of real estate held as inventory and other investments in real estate assets is set out in more detail in the annual report.

The adjustments from the IFRS NAV calculation to the INREV NAV calculation relate to:
B) The fourth quarter 2024 distributable result.
M Acquisition expenses of acquisitions performed in the prior five years.

INREV Statement of income and comprehensive income (unaudited)

(amounts in € '000, unless otherwise stated)

Statement of income and comprehensive income in accordance with INREV principles

			2024			2023
For the year	IFRS	Adjustments	INREV	IFRS	Adjustments	INREV
Gross rental income	77,161	-	77,161	71,921	-	71,921
Service charge income	3,591	-	3,591	3,479	-	3,479
Total operating income	**80,752**	**-**	**80,752**	**75,400**	**-**	**75,400**
Property-specific costs	(21,769)	(84)	(21,853)	(18,266)	(84)	(18,350)
Service charge expenses	(3,591)	-	(3,591)	(3,479)	-	(3,479)
Fund expenses	(956)	-	(956)	(888)	-	(888)
Management fees	(9,666)	-	(9,666)	(9,417)	-	(9,417)
Total operating expenses	**(35,982)**	**(84)**	**(36,066)**	**(32,050)**	**(84)**	**(32,134)**
Operating result	**44,770**	**(84)**	**44,686**	**43,350**	**(84)**	**43,266**
Finance result	**1,053**	**-**	**1,053**	**952**	**-**	**952**
Changes in fair value of investment properties	149,357	-	149,357	(208,622)	-	(208,622)
Changes in fair value of right-of-use contracts	(52)	-	(52)	(40)	-	(40)
Changes in value of participations	5,427	-	5,427	(11,746)	-	(11,746)
Dividend income of participations	4,900	-	4,900	-	-	-
Result on sales of investment properties	816	-	816	-	-	-
Result on individual unit sales	629	-	629	3,366	-	3,366
Realised and unrealised gains and losses	**161,077**	**-**	**161,077**	**(217,042)**	**-**	**(217,042)**
Net result	**206,900**	**(84)**	**206,816**	**(172,740)**	**(84)**	**(172,824)**
Other comprehensive income	-	-	-	-	-	-
Total Comprehensive Income	**206,900**	**(84)**	**206,816**	**(172,740)**	**(84)**	**(172,824)**

INREV Statement of financial position (unaudited)

(amounts in € '000, unless otherwise stated)

Statement of financial position in accordance with INREV principles

	31 December 2024			31 December 2023		
As at	IFRS	Adjustments	INREV	IFRS	Adjustments	INREV
ASSETS						
Non-current assets						
Investment properties in operation	1,975,684	84	1,975,768	1,683,476	167	1,683,643
Investment properties under construction	45,161	-	45,161	174,055	-	174,055
Right-of-use asset	1,072	-	1,072	927	-	927
	2,021,917	**84**	**2,022,001**	**1,858,458**	**167**	**1,858,625**
Participations						
Grotiusplaats Den Haag C.V.	114,280	-	114,280	109,000	-	109,000
Grotiusplaats Den Haag Beheer B.V.	20	-	20	-	-	-
	114,300	**-**	**114,300**	**109,000**	**-**	**109,000**
Current assets						
Trade receivables	3,420	-	3,420	1,673	-	1,673
Cash and cash equivalents	63,335	-	63,335	27,224	-	27,224
	66,755	**-**	**66,755**	**28,897**	**-**	**28,897**
Other current assets						
Investment properties held for sale	**277**	**-**	**277**	**745**	**-**	**745**
	277	**-**	**277**	**745**	**-**	**745**
Total assets	**2,203,249**	**84**	**2,203,333**	**1,997,100**	**167**	**1,997,267**
CAPITAL AND LIABILITIES						
Capital						
Issued capital	1,546	-	1,546	1,510	-	1,510
Additional paid-in capital	1,464,793	-	1,464,793	1,416,500	-	1,416,500
Revaluation reserve	622,428	-	622,428	565,628	-	565,628
Retained earnings	89,323	13,661	102,984	(9,425)	12,307	2,882
	2,178,090	**13,661**	**2,191,751**	**1,974,213**	**12,307**	**1,986,520**
Non-current liabilities						
Lease liabilities	1,072	-	1,072	927	-	927
	1,072	**-**	**1,072**	**927**	**-**	**927**
Current liabilities						
Trade and other liabilities	24,087	(13,577)	10,510	21,960	(12,140)	9,820
	2,203,249	**84**	**2,203,333**	**1,997,100**	**167**	**1,997,267**

INREV Statement of changes in capital (unaudited)

In accordance with INREV principles

(amounts in € '000, unless otherwise stated)

Statement of financial position in accordance with INREV principles

For the period 1 January 2023 - 31 December 2024	Issued capital	Additional paid-in capital	Retained earnings	Revaluation reserve	Total
Balance as at 1 January 2023	**1,461**	**1,350,222**	**38,868**	**748,739**	**2,139,290**
Comprehensive income					
- Profit for the year	-	-	(172,824)	-	(172,824)
- Movement arising from market valuations	-	-	168,670	(168,670)	-
- Movement arising from participations	-	-	11,786	(11,786)	-
- Movement arising from divestments	-	-	2,655	(2,655)	-
Total comprehensive income	**-**	**-**	**10,287**	**(183,111)**	**(172,824)**
Transactions with the owners of the Fund					
Contributions and distributions:					
- Issue of ordinary units	44	59,906	-	-	59,950
- Issue of distributable result in units	5	6,372	-	-	6,377
- Distributable result	-	-	(46,273)	-	(46,273)
Total transactions with owners of the Fund	**49**	**66,278**	**(46,273)**	**-**	**20,054**
BALANCE AS AT 31 December 2023	**1,510**	**1,416,500**	**2,882**	**565,628**	**1,986,520**
Comprehensive income					
- Profit for the year	-	-	206,816	-	206,816
- Movement arising from market valuations	-	-	(102,357)	102,357	-
- Movement arising from participations	-	-	(5,280)	5,280	-
- Movement arising from divestments	-	-	50,837	(50,837)	-
Total comprehensive income	**-**	**-**	**150,016**	**56,800**	**206,816**
Transactions with the owners of the Fund					
Contributions and distributions:					
- Issue of ordinary units	30	39,940	-	-	39,970
- Issue of distributable result in units	6	8,353	-	-	8,359
- Distributed result	-	-	(49,914)	-	(49,914)
Total transactions with owners of the Fund	**36**	**48,293**	**(49,914)**	**-**	**(1,585)**
Balance as at 31 December 2024	**1,546**	**1,464,793**	**102,984**	**622,428**	**2,191,751**
In €					
NAV per unit					1,418.64

Appendix 2: Annex IV, **SFDR** periodic disclosure

Template for periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
ASR Dutch Core Residential Fund

Legal entity identifier:
724500APOJJCX4UBTO37

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It made **sustainable investments with an environmental objective: __%** ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ It **promoted Environmental/ Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 80.2% of sustainable investments ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☒ with a social objective
☐ It made **sustainable investments with a social objective: __%**	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promotes various environmental and social characteristics which are set out in its ESG policy. The Fund's vision on Environmental, Social and Governance (ESG) is to accommodate the interests of tenants and investors in the best possible way by creating and maintaining assets that have long-term value from both a financial and a social perspective, and to achieve this in a sound and responsible manner with engaged and aware partners and employees. To work towards these goals, the Fund has developed an

Environmental, Social and Governance (ESG) strategy around three themes:
1. Environmental: Dedicated to decarbonisation
2. Social: Making a positive impact on society
3. Governance: Compliant with sustainability regulations

The Fund does not use a formal benchmark to compare its results with those of its peers. However, the Fund does take part in the yearly GRESB survey, through which its ESG performance is measured and reported on.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

Strategic objectives 2024

Strategic objectives	Target 2024	Realised 2024
Environmental		
Energy intensity (kWh / sq.m. / year)	≤ 101	In progress[1]
GHG Intensity (kg CO_2 / sq.m. / year)	≤ 17	In progress[1]
On-site renewable energy (installed kWp)	≥ 5,100	5,272
Coverage of A & B labels (% of the portfolio)	≥ 85%	93%
Climate change adaptation plans (% of properties with a (very) high risk profile)	100% prepared	Assets and actions identified
Enhance local biodiversity	Implement framework	Implementation started
Social		
Community & tenants		
Tenant satisfaction rating (score out of 10)	≥ 7.0	7.1
Senior housing (# of dwellings, rented out with priority to seniors)	≥ 500	520
Addition of affordable dwellings (#)	≥ 450	346
AED coverage (% of the portfolio)	≥ 99%	99%
Our employees		
Employee satisfaction rating (eMood® score)	≥ 7.5 / 10	7.8
Personal development		
- Training (% of annual salaries)	≥ 1.0%	1.0%
- Sustainable employability (% of annual salaries)	≥ 1.0%	1.0%
Health & well-being (eMood® vitality score)	≥ 7.5	7.5
Diversity, equity & inclusion	Execute policy	Ongoing

Governance	Compliant	
Sound business practices	✓	✓
Alignment with sustainability guidelines	✓	✓
- SDGs	✓	✓
- GRESB	★★★★★	★★★★★

...and compared to previous periods?

The performance of some of the key sustainability indicators compared to the previous period (2023) are listed below.

The number of PV panels installed is now measured as on-site renewable energy installed. This number increased from 4,919 kWp in 2023 to 5,272 kWp installed in 2024. Coverage of Green labels is now measured as coverage of A & B labels (percentage of the portfolio). This percentage increased from 81% in 2023 to 93% as at 31 December 2024. The Fund managed to improve its percentage of dwellings rented to senoirs from 407 dwellings in 2023 to 520 dwellings as at 31 December 2024. On most of the social sustainability indicators, the Fund has met its targets, such as tenant satisfaction (7.0), just as in the previous year.

1 Results will be published in the ESG Annual Report 2024.

The Fund managed to add 346 affordable dwellings in 2024, which is a little below its target of 450 dwellings, but is higher compared with 2023, when 197 affordable dwellings were added to the portfolio.

Strategic objectives 2023

Strategic objectives	Target 2023	Realised 2023
Environmental		
Energy intensity (kWh / sq.m. / year)	≤ 125	95
GHG Intensity (kg CO_2 / sq.m. / year)	≤ 26	20
Renewable energy (# of PV panels)	≥ 14,000	14,787
Resource efficiency (# of projects / year)	≥ 5	5
Plan for properties with a high climate risk profile (#)	5	Assets and actions identified
Climate adaption and improvement (greening measures / year)	≥ 500 sq.m.	755 sq.m.
Enhance local biodiversity	Design plan	Plan designed
Coverage of Green labels	≥ 96%	94%
Coverage of Green Building Certificates	100%	100%
Social		
Community and tenants		
Tenant satisfaction	≥ 7.0	7.0
Invest in neighbourhood and sustainable mobility (# of projects / year)	≥ 7	7
Tenant engagement (# projects / year)	≥ 8	8
Senior housing (# dwellings)	≥ 400	407
Addition of affordable dwellings (#)	≥ 200	197
AED coverage (% of portfolio)	≥ 93%	98%
Our employees		
Employee satisfaction rating (eMood® score)	≥ 7.5	7.7
Personal development		
- Training (% of annual salaries)	≥ 1.0%	1.3%
- Sustainable employability (% of annual salaries)	≥ 1.0%	1.0%
Health & well being (eMood® vitality score)	≥ 7.5	7.6
Governance		
Alignment with sustainability guidelines	✓	✓
- SDGs	✓	✓
- GRESB (annual survey rating)	★★★★★	★★★★★
Sound business practices	✓	✓

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The Fund promotes one of the climate and environmental objectives as included in article 9 of the Taxonomy Regulation: the objective 'climate mitigation'. The Fund promotes this objective in its underlying investments by promoting the stabilisation of greenhouse gas concentrations in the atmosphere consistent with the long-term temperature goal of the Paris Agreement. The energy intensity and GHG intensity figures of 2024 are published in the Fund's ESG annual report 2024.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The Fund can state that it did no significant harm to any other of the environmental objectives (i.e. climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and

control, and the protection and restoration of biodiversity and ecosystems) for the following reasons:
To ensure that a sustainable investment in which the Fund invests does no significant harm to any environmental or social objective, we monitored various environmental or social sustainability related subjects. To be more specific, we monitored the indicators for adverse impacts on sustainability factors applicable to real estate assets.

The 'do no significant harm' principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

How were the indicators for adverse impacts on sustainability factors taken into account?
The Fund considered principal adverse impacts on sustainability factors in accordance with its ESG Policy by measuring and monitoring the negative impact on sustainability factors. The adverse impact indicators on sustainability factors that the Fund takes into consideration are aligned with the ESG Policy and strategic areas of interest. The indicators chosen take into account materiality, data quality and availability. The principal adverse impact indicators that are taken into consideration in this statement for investments in real estate assets are as follows:

(i) **Exposure to fossil fuels through real estate assets**
Exposure to fossil fuels through real estate assets is measured in terms of the share of real estate investments involved in the extraction, storage, transportation or manufacture of fossil fuels. The Fund has no exposure to fossil fuels.

(ii) **Exposure to energy-inefficient real estate assets**
Exposure to energy-inefficient real estate assets is measured as real estate assets with an energy C-label or lower. As at 31 December 2024, 11.0% of the Fund's assets are classified as inefficient real estate assets.

(iii) **Greenhouse gas emissions**
To coincide with its net zero target, the Fund has set the objective to reduce its GHG emissions, measured in kg of CO_2 equivalents per sq.m., achieving GHG neutrality ahead of its 2045 Paris Proof target. The GHG intensity of the Fund over 2023 was 20 kg of CO_2 per sq.m. / year. The figures for 2024 will be published in the Fund's ESG annual report.

(iv) **Energy consumption intensity**
To coincide with its net zero target, the Fund has set the objective of reducing its energy intensity, measured in kWh per sq.m., achieving GHG neutrality ahead of its 2045 net zero target. The energy intensity of the Fund over 2023 was 95 kWh per sq.m./ year. The figures for 2024 will be published in the Fund's ESG annual report.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:
The Fund is committed to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. In 2024, the AIF Manager's policy and control framework were refined to once more comply with the required minimum safeguards on human rights.

How did this financial product consider principal adverse impacts on sustainability factors?
The Fund considers principal adverse impacts on sustainability factors by drawing up its own annual ESG policy which sets out specific sustainability objectives, which include the Fund's own considerations on adverse impacts on sustainability factors. The Fund's principal adverse impacts on sustainability are disclosed on the previous pages in the annual report.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

What were the top investments of this financial product?

Top investments of this financial product

Largest investments[1]	Sector	% Assets	Country
Real estate	Residential	100	The Netherlands

The EU Taxonomy sets out a 'do no significant harm' principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific European Union criteria.

The 'do no significant harm' principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

1 Please see the Fund's annual report on page 39 for the top 10 Assets.

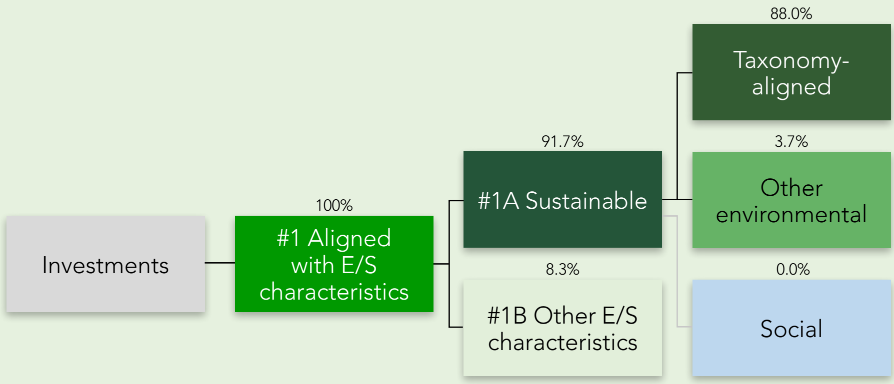
Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?
All investments are aligned with the E/S characteristics of the Fund.

What was the asset allocation?
The asset allocation of the Fund is 100% towards direct real estate assets. All assets of the Fund align with the E/S characteristics, since the Fund's objectives apply to the entire portfolio. As at 31 December 2024, 91.7% of the Fund's investments qualify as sustainable investments under the SFDR (#1A), which includes Taxonomy aligned assets and energy efficient real estate assets (PAI). 88% of the Fund's investments qualify as Taxonomy-aligned, calculated as a percentage of the Fund's Assets under Management.

71.1% of the Fund's underlying investments are aligned with the technical screening criteria related to a substantial contribution to 'climate change mitigation' due to the number of energy labels A or better and the fact that the economic activities do not significantly harm any other environmental objectives due to the limited physical climate risks.

16.9% of the Fund's underlying investments that are not aligned with 'climate change mitigation' do contribute substantially to 'climate change adaptation', due to the limited physical climate risks and the fact that the economic activities do not significantly harm any other environmental objectives due to the energy labels B or C.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** for environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** for investments aligned with environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?
All of the Fund's investments are in direct real estate.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the 'greenness' of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

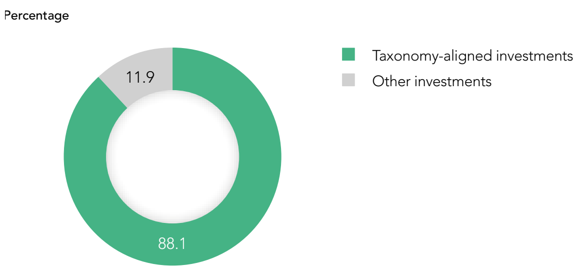
As at 31 December 2024, 88.1% of the Fund's investments are aligned with the EU Taxonomy calculated over the Fund's turnover. The Fund calculated the percentage based on turnover, which represents the percentage of gross rental income coming from taxonomy-aligned assets.

68.6% of the Fund's underlying investments are aligned with the technical screening criteria related to a substantial contribution to 'climate change mitigation' due to the number of energy labels A or better and the fact that the economic activities do not significantly harm any other environmental objectives due to the limited physical climate risks.

19.5% of the Fund's underlying investments that are not aligned with 'climate change mitigation' do contribute substantially to 'climate change adaptation', due to the limited physical climate risks and the fact that the economic activities do not significantly harm any other environmental objectives due to the energy labels B or C.

As ESG is an integral part of the Fund's maintenance and capital expenditure plan, no distinction is made between the costs borne in light of taxonomy-alignment and other investments. Calculated over the Fund's assets under management, the Fund's Taxonomy alignment as at 31 December 2024 is 88.0%.

1. Taxonomy-alignment of investments including sovereign bonds[2]



Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[3]?

☐ Yes ☒ No

☐ In fossil gas

☐ In nuclear energy

What was the share of investments made in transitional and enabling activities?

These are not applicable for the real estate investments of the Fund, as low-carbon alternatives are readily available for (transitional) activities and there are no relevant argeted enabling activities.

2 No breakdown including and excluding sovereign bond exposure is included in this diagram, as the Fund does not invest in sovereign bonds.

3 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?
As at 31 December 2024, 88.1% of the Fund's investments are aligned with the EU Taxonomy calculated based on Turnover. In 2023, 0% of the Fund's investments were aligned with the EU Taxonomy due to the fact that SFDR and EU Taxonomy legislation regarding the required minimum safeguards on human rights was interpreted differently than before.

In 2024, the AIF Manager's policy and control framework were refined to be compliant with the required minimum safeguards on human rights. Would these requirements have been in place in 2023, 62.1% of the Fund's investments would have qualified as Taxonomy-aligned as at 31 December 2023. The percentage increased compared to 2023 due to the inclusion of 'climate change adaptation' in the calculation, and also due to several renovation projects and the sale of less energy efficient investments.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?
As at 31 December 2024, 92.0% of the Fund's investment are sustainable investments, presented under #1A in the flowchart, calculated based on Turnover. Of this percentage, 88.1% is aligned with the EU Taxonomy, and 3.9% of the sustainable investments are not aligned with the EU Taxonomy.

What was the share of socially sustainable investments?
The Fund has various social objectives for its portfolio. These objectives include the increase of tenant satisfaction, the addition of affordable dwellings, dwellings rented out with priority to seniors, and AED coverage. There are also objectives for employee satisfaction, wellbeing, health, and personal development. However, as these objectives do not meet the official criteria of socially sustainable investments, the Fund's share of socially sustainable investments was 0.0%.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?
None, as all the investments of the Fund are classified as investments that align with E/S characteristics.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?
Please see the table under the question 'How did the sustainability indicators perform?'

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?
This question is not applicable as no specific index has been designated as a reference benchmark.

Appendix 3:

Portfolio overview

Portfolio overview

City	Property	Address	Number of apartments	Number of single-family houses	Number of parking spaces	Number of commercial units
Alphen aan den Rijn	Provinciepassage	Provinciepassage	44	-	-	-
Amersfoort	Vathorst 1	Beijerinck, Cruquius, Leemans, Vissering, Wouda	166	-	118	-
Amersfoort	Vathorst 2A	Leeghwater, Vrouwenpolder	23	-	-	-
Amersfoort	Vathorst Centrum (blok 12)	Leeghwater, Vrouwenpolder	21	-	-	-
Amstelveen	RiMiNi	Missouri, Niagara, Rio Grande	126	-	66	-
Amsterdam	Cruquiuswerf	Amsterdam Rijnkanaalkade, Brandslangstraat, Cruquiusweg, Vluchtladderstraat	122	-	79	1
Amsterdam	Europapoort	Mensinge, Weerdestein	1	-	-	-
Amsterdam	Mondriaan	Hart Nibbrigstraat, Piet Mondriaanplein, Henk Henriëtstraat	-	24	24	-
Amsterdam	Nachtwachtlaan	Nachtwachtlaan	1	-	1	-
Amsterdam	Ottho	Ottho Heldringstraat	327	-	86	3
Amsterdam	Staalmeesterslaan	Staalmeesterslaan	180	-	180	-
Amsterdam	The Beacons	Mary van der Sluisstraat	41	-	40	-
Amsterdam	Wibautstraat	Wibautstraat	162	-	68	-
Amsterdam	Wicherskwartier	Donker Curtiusstraat, Wichersstraat.,Visseringstraat, Buyskade	135	-	125	4
Amsterdam	Zuidkwartier	Eosstraat	82	-	82	-
Arnhem	Jonkerwaard	Jonkerwaard, Pachterwaard	-	51	-	-
Arnhem	Malburgen	Van Berkumstraat	-	36	-	-
Arnhem	Schuytgraaf	Daphnestraat, Dianaplantsoen	-	42	-	-
Bennekom	De Barones	Oost-Breukelderweg	24	-	-	-
Boskoop	Burg. Colijnstraat	Burg. Colijnstraat, Torenpad	30	-	-	-
Breda	Ambachtenlaan	Ambachtenlaan, Hovenierstraat, Kolenbranderstraat	-	43	-	-
Breda	Willem van Oranjelaan I	Willem van Oranjelaan	16	-	-	-
Breda	Willem van Oranjelaan II	Willem van Oranjelaan	24	-	-	-
De Meern	Bakerlaan	Bakerlaan, Kameniersterlaan	-	36	-	-
Diemen	De Brede HOED	D.J. den Hartoglaan	35	-	37	-
Diemen	Sniepkwartier	Het Betonijzer, Het Pontveer	102	-	90	-
Diemen	Ravelijn	Arent Krijtsstraat, Johan van Soesdijkstraat	51	-	23	-
Ede (Gld.)	De Halte	De Halte	47	-	50	-
Ede (Gld.)	Marie Louise	Topaasstraat	32	-	34	-
Groningen	Ebbingekwartier	Grutmolen, Haverkampsdrift, Langestraat	-	21	-	-
Groningen	Energiek	Boumaboulevard	78	-	60	-

City	Property	Address	Number of apartments	Number of single-family houses	Number of parking spaces	Number of commercial units
Haarlem	Haave	Hans Henneveldpad, Louis Pasteurstraat	61	-	47	1
Heerhugowaard	Lapis Lazuli	Lapis Lazuli	50	-	30	-
Hendrik-Ido-Ambacht	Perengaarde	Perengaarde, Sophiapromenade	90	-	90	-
Hilvarenbeek	Cantorijstraat	Cantorijstraat	-	19	-	-
Hilversum	Bonifaciuslaan 1	Bonifaciuslaan	150	-	-	-
Hilversum	Bonifaciuslaan 2	Bonifaciuslaan	100	-	29	-
Hilversum	HilversumHuis	Verschurestraat, Letteriestraat, Kremerpad	-	27	-	-
Hoofddorp	Floriande	Aalburgplein, Almkerkplein, Drongelenplein, Meeuwenstraat	120	-	93	-
Houten	De Borchen	Riddersborch, Minstreelborch, Vedelaarsborch	-	45	-	-
Houten	Ploegveld	Ploegveld, Rijfveld, Sikkelveld	-	37	-	-
Houten	Riddersborch	Riddersborch	-	19	-	-
Houten	Wernaarseind	Wernaarseind, Achterom, Rosmolen, Smidsgilde	-	69	-	-
Huizen	Delta	Delta, Eem, Grift, Kuinder, Wedekuil	-	31	-	-
Huizen	Enhuizerzand	Enkhuizenzand, Friesewal, Gooisekust, Hofstede	-	87	-	-
Huizen	Kooizand	Kooizand, Middelgronden, Noordwal	-	26	-	-
Huizen	Middelgronden	Middelgronden, Noordwal	-	25	-	-
IJmuiden	Parkzicht	Radarstraat	63	-	63	-
IJsselstein (UT)	Guldenroede	Guldenroede, Morgenster, Valerieaan, Ratelaar	-	82	-	-
Katwijk (ZH)	Duizendblad	Duizendblad, Slangekruid	-	21	-	-
Leiden	5 Meilaan	5 Meilaan	16	-	-	-
Leiden	Van Randwijkstraat	Van Randwijkstraat	92	-	163	1
Leidschendam	Nieuw Mariënpark	Marienpark	36	-	36	-
Nieuwegein	Dotterbloemstraat	Dotterbloemstraat, Ereprijs, Guldenroede	-	106	9	-
Nieuwegein	Van Reeshof	Van Reeslaan	40	-	-	-
Nootdorp	Laan van Floris de Vijfde	Laan van Floris de Vijfde	38	-	-	-
Prinsenbeek	Hagendonk	Herman Dirvenpark	-	25	30	-
Rijen	Wouwerbroek	Wouwerbroek	-	16	-	-
Rijswijk (ZH)	The Minister	C.T. Storklaan, P.A. van der Steurlaan	220	-	220	-
Rosmalen	Eikakkershoeven	Eikakkershoeven, Tielekenshoeven	-	63	-	-
Rosmalen	Gruttoborch	Gruttoborch, Reigersborch, Kievitborch, Zwaluwborch	-	39	-	-
Rotterdam	Karel Doormanstraat	Karel Doormanstraat	35	-	35	-
Schijndel	Van Beethovenstraat	Van Beethovenstraat, Chopinstraat	-	27	-	-
s-Gravenhage	Amadeus	Kalvermarkt	40	-	40	-

City	Property	Address	Number of apartments	Number of single-family houses	Number of parking spaces	Number of commercial units
s-Gravenhage	De Hoge Regentesse	Loosduinsekade	128	-	102	3
s-Gravenhage	Laan van Wateringse Veld-app	Laan van Wateringse Veld	27	-	-	-
s-Gravenhage	Laan van Wateringse Veld-toren	Laan van Wateringse Veld	16	-	-	-
s-Gravenhage	Middenweg-app	Middenweg	17	-	-	-
s-Gravenhage	Middenweg-toren	Middenweg	27	-	-	-
s-Gravenhage	The Roofs	Maria Staurtplein	327	-	123	2
Tilburg	Bijsterveldenlaan	Bijsterveldenlaan, Hoge Witsie	-	38	-	-
Tilburg	Garderenstraat	Garderenstraat, Groedehof, Geesterenstraat	-	40	-	-
Tilburg	Hattemplein	Hattemplein, Hillegomlaan	-	30	-	-
Tilburg	Karrestraat	Karrestraat	19	-	-	-
Tilburg	Menterwoldestraat	Menterwoldestraat, Mariekerkestraat	-	38	-	-
Tilburg	Ravensteinerf	Ravensteinerf	-	64	-	-
Tilburg	Ruinerwoldstraat	Ruinerwoldstraat	-	57	-	-
Utrecht	Lamérislaan	Lamérislaan	216	-	33	-
Utrecht	Laurierkwartier	Laurierweg, Kattenkruidweg	50	47	97	-
Utrecht	Milestones	Jazzsingel, Fletcher Hendersonstraat, Svend Asmussenpad, John Coltranestraat	49	21	66	-
Utrecht	Terwijde-centrum	E. Fitzgeraldplein, Jazzboulevard, B. Holidaystraat, Musicallaan, Nat KingColestraat, L. Amstrongboulevard	199	-	209	-
Utrecht	Wonderwoods	Croeselaan, Hoola van Nootenstraat	248	-	-	4
Veenendaal	Brouwerspoort	Wolweg	43	-	38	-
Veldhoven	Buikhei	Bovenhei, Brouwershei, Buikhei, Schepelhei	-	91	-	-
Waddinxveen	Gouwe Zicht	Binnendoor	25	-	-	-
Wassenaar	Ridderhof	Ridderhof	44	-	-	-
Zeewolde	Bergkwartier	Braamberg	-	22	-	-
Zeist	Couwenhoven	Couwenhoven	-	46	-	-
Zoetermeer	Futura	Dublinstraat, Van Leeuwenhoeklaan	69	-	70	-
Zwolle	Elftkolk	Elftkolk	-	30	-	-
Zwolle	Stadshagen	Bastionstraat, Broderiestraat	-	30	-	-
Total			**4,525**	**1,571**	**2,786**	**19**

Colophon

Text
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Corné Bastiaansen, Hilversum
Joni Israeli, Utrecht
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asrrealestate.nl